

# BOTSWANA - GENERAL

1989

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southern Africa

Mutual Benefit in Botswana

12

AN IDEAL example of mutual benefit to be gained by partners in a major industrial project is the soda ash manufacturing project under construction at the Sowa Pan in northern Botswana.

Partners in the venture are the Botswana Government and AECI, with its partners, Anglo American Corporation and De Beers Holdings.

These interests come together in Soda Ash Botswana Ltd, which holds the licence to exploit the mineral resources of the pan - natural sodium carbonate or soda ash.

SA industries will be the main customers for the plant's output and export markets will also be developed. The factory will include salt bagging facilities adequate to meet the demand for both fine and coarse salt in Botswana, Zimbabwe, Zambia and for part of the needs of Malawi and Zaire.

The Botswana Government is providing infrastructure vital to the project - supply of water, housing, transport facilities and power generation. Power lines are being installed between Francistown and Sowa. The Botswana Railways is laying a branch line between Francistown and the site over a distance of 173km.

AECI managing director Mike Sander says the cost to the Botswana Government of this infrastructure

But unless that country itself possesses the ability, the skills and the technological know-how to run it, what has been achieved?

"Many engineering projects are firsts, and have to be specially adapted to conditions encountered during construction. The learning curve happens as the project is being built.

"We are bringing in the engineering expertise and contract management skills, but a large proportion of the people who will work on the project will be Botswana. We're happy to develop their skills and as time passes we will attempt to grow those people to build up a pool.

Built up

"We expect to reach target efficiencies by 1996 and by then we would expect to have developed a very well-skilled team of employees."

In general, Sander says that the skills shortage facing the sub-continent is one built up over 100 years and rather than 20 years and believes it will take as long a time to redress through a new approach to grassroots education.

He agrees with the view that the only way to bring in the necessary skills for southern African development in the future will be to bring in overseas contractors to work in tandem with SA.

from Francistown to Dukwe could make feasible other projects or mines.

Says Sander: "Central Africa is short of salt. Salt is needed not just for industrial processes such as chlorine production but for human and animal nutrition."

The project will produce 300 000 tons of soda ash a year. The current world production totals 29-million tons a year, two thirds of which is produced chemically using lime and salt.

When the project becomes operational in the first quarter of 1991, Botswana will be one of only four countries in the world producing soda ash from natural carbonate deposits.

What makes Soda Ash Botswana an exemplary venture is not the fact of its initial development as much as the ongoing learning curve and technology transfer that AECI is determined to bring about.

Says Sander: "Any country can 'buy' a project and hire contractors to build it.

is easily offset against job creation and future tax earnings. The wages of Soda Ash Botswana employees will total about 6.5-million pula annually. The company itself will spend P30m annually on rail transport and coal.

The town of Sowa, initially consisting of 600 homes, will have a population of about 3 000, generating considerable trade and employment opportunities. It is expected to develop in a similar way to Selebi Pikwe but on a smaller scale.

Valuable

Other than the relatively small requirement for salt in Botswana, the rest of the 650 000 tons of salt expected to be produced every year will be exported, contributing a valuable source of foreign exchange to Botswana and improving its adverse balance of payments with South Africa.

The availability of power and rail along the route

Year	Real growth rate 1970-1980 1980-1986 %
1987	6.2
1988	0.8
1989	14.3
1990	7.2
1991	4.4
1992	4.4
1993	-1.0
1994	-5.2
1995	0.8
1996	1.7
1997	0.9
1998	3.3
1999	4.1
2000	7.4
2001	11.3
2002	21.3
2003	7.6
2004	7.1
2005	21.8
2006	4.9
2007	19.2
2008	8.8
2009	10.4
2010	10.9
2011	8.2
2012	12.2

while ensuring compatibility between the activities of the more and less-developed sectors (avoiding out-competing local products).

If relocation is to enhance development, special measures are required as this is unlikely to occur automatically. The approach should involve direct measures to alleviate poverty and generally raise the quality of life. It should focus on raising productivity, and it should promote effective local participation.

Further, the study recommends that urbanisation may be a necessity of "people-orientated regional development", that this

## Soda ash funding accord

(12)

An agreement signed in Gaborone at the weekend will provide a substantial part of the funding for the Sua Pan soda ash and salt project in northeast Botswana.

Signatories were Soda Ash Botswana (SAB) and a consortium of banks consisting of First National Bank of Southern Africa, Standard Bank of South Africa and UAL Merchant Bank.

The loan will be guaranteed by major SAB shareholders — the Botswana government, AECL, Anglo American and De Beers Holdings.

The banks will provide export credit and commercial loan facilities totalling R425 million, which is almost half of the total finance required for the project.

Target date for completion of the plant is early 1991.— Sapa.

# Game park fee hike 'may harm Botswana'

Own Correspondent

**JOHANNESBURG.** — Huge increases in Botswana's game park fees — of up to 3 000% — are likely to adversely affect many sectors of the Botswana economy by cutting out the "itinerant" or casual tourist from outside the country.

According to Mr Peter Sandenberg, chairman of the Hotel and Tourism Association of Botswana, this type of tourist does not contribute large amounts of money to the domestic market, but many busi-

nesses rely on what contribution they do make.

Hotels in the towns bordering the game reserves Maun and Kasane were the most likely casualties as they rely heavily on casual travellers passing through. One potential effect of this was the retrenching of staff, Mr Sandenberg said.

From July 1, non-residents of Botswana will have to pay R60 a day each for stay in the reserves, plus a R24 charge for a camping site and a R12 vehicle entrance fee. The old

tariffs were R12 for a one-week permit, R2,40 per person for a campsite and R1,20 for the vehicle.

Mr Sandenberg said the private sector had been consulted on the fees and had recommended an increase of between 300% and 500%.

After the new increases — nearly 10 times what the private sector had recommended — were finally announced, he and other parties had made representations to government but for no avail.

The only concession that had been made, he said, was that the

date of implementation was changed from January 1 to July.

The Botswana government move was prompted by the recommendations of a European Community economist who said casual travellers contributed little to the local economy.

Sources in Botswana said the government felt the increases were reasonable as the fees had not been raised for more than 10 years.

Spokesmen in the safari industry here say Botswana's motivation ap-

peared to be tourist selectivity. They said the increases could be advantageous as the Botswana government would now be able to realise unknown profits which would benefit wildlife in the long run.

"Up to this point in time the Botswana government has realised very little income from the reserves. Botswana has been a very cheap holiday," said one operator.

"Now that they will be making money, conservation may benefit."



BUSINESS DAY, Monday, January 16 1989

DIANNA GAMES

THE massive increase in Botswana's game park fees — by up to 3 000% — was likely to have an adverse effect on many sectors of the country's economy by cutting out the "itinerant" or casual tourist, most of whom came from SA, Hotel and Tourism Association of Botswana chairman Peter Sandenberg said at the weekend.

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Casual tourists to Botswana are now an endangered species

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Leadership issue could still sink unity talks

B/DNA/16/1/89

# Star 16/1/89 Snub to Pik: Botswana 'not at conference'

(12) The Star's Africa News Service

GABORONE — Botswana did not attend the Paris conference on chemical weapons and therefore could not have boycotted the speech by South African Foreign Minister Mr Pik Botha, it was said here.

External Affairs Minister Dr G Chiepe was reacting to statements by Mr Botha that South Africa intended to protest to Swaziland, Botswana and Lesotho over an alleged walk-out by the representatives of these countries when he rose to speak at last week's conference.

African representatives at the conference walked out in protest as Mr Botha stood up to speak.

"We had no representative at that summit. In any case, we don't have to be told by anybody what to do as a government," Dr Chiepe said.

Swaziland has also denied walking out of the conference.

A spokesman for the Swazi Foreign Ministry said the Swazi delegate was not in the hall at the time of the walk-out.

The Lesotho government said it was investigating the matter, but was not aware that its delegate was attending the discussions when the walk-out occurred.

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# Masire pilot 'stunned' by MiG attack

The Argus Foreign Service

LONDON. — A British pilot, Captain Arthur Ricketts, says he "flew by the seat of his pants" after a missile from an Angolan MiG hit the executive jet, carrying President Quett Masire of Botswana to Luanda.

The missile, one of two fired by the MiG in the incident last year, blew off the jet's starboard engine and plunged the aircraft into a dive during which it fell 2 100m in seconds. Captain Ricketts, 51, took

over immediately from the President's personal pilot, Colonel Albert Scheffers, who was injured, and landed the plane.

In an interview with the Mail on Sunday he told how he saved the British Aerospace 125-800 jet and its passengers.

"There was a damn big bang — a bit like being in a car with someone driving into you at high speed.

"All I could see was blue sky and bits of metal everywhere. I saw parts of the aircraft out-

side my cockpit window. Flying away from us at high speed. I sat there momentarily stunned."

Unseen by the 13 people aboard, an Angolan MiG-21, which had mistaken the plane for an enemy aircraft, fired two air-to-air missiles. The first hit and the second turned away.

At that stage, Captain Ricketts said, he had no idea what had happened.

"I was flying by the seat of

my pants."

He gradually pulled the plane out of the dive, stabilised the flight and at the same time gave oxygen to his fellow pilot.

"Inch-by-inch I tested the controls. Incredibly, all the systems were functioning normally."

He landed the aircraft on a strip near the small town of Cuito Cile.

"I am sure no other aircraft in its class would have survived such an attack. It shows how strong the 125 is."

## Boycott (12)

GABORONE — Administrators yesterday closed the University of Botswana after students defied an order to end a boycott and return to classes. *Sowetan 24/1/89*

The students were protesting a two-year-old university regulation that requires them to obtain police permission before they can hold a demonstration. University officials instituted the regulation following a series of student protests in 1987.

Several dozen students protested the regulation on Friday in downtown Gaborone, and four were arrested.

Protest row (12)  
24/1/89  
Sapa  
closes varsity

GABORONE — The University of Botswana campus was closed indefinitely yesterday, the Botswana Press Agency reported.

A letter from the university's vice-chancellor, Professor Thomas Flou, told students that the university council took the action because the students would not alter their decision to launch an illegal demonstration on January 19 and to boycott classes from January 20.

Students had to vacate the university by 5 pm yesterday. — Sapa.

# US weapons sent to Botswana

By Neil Lurssen, The Star Bureau 12

WASHINGTON — The US is boosting the strength of Botswana's small defence force to help the southern African state assert its sovereignty in the face of threatened cross-border clashes between the South African Defence Force and ANC insurgents. *Star 1/2/89*

Highly sophisticated modern weapons, including 100 TOW anti-tank missiles and 3 Vulcan radar-guided rapid-firing anti-aircraft guns, are being provided.

Vulcans are six-barrelled 20 mm guns that fire up to 3 000 rounds a minute and are guided by radar and computer.

In a report to the US Congress seeking authority for funding of international security assis-

tance programmes, the Bush administration said the US should help Botswana to "withstand the concurrent pressures being placed on it by the political and military might of South Africa and by the incessant stratagems of the ANC to use Botswana as a gateway to South Africa".

"The increasingly intense anti-apartheid struggle in South Africa has caused greater tensions between Botswana and South Africa. South African incursions have escalated the potential for conflict," it said.

TOW missiles are widely deployed in the US military forces and have gone through several improvements since they were first introduced in the 1970s. It is believed that the TOWS sent to Botswana are the latest version.

# BIG BOOST FOR ARMY

12  
~~12~~

Sowetan 21/89

WASHINGTON — To help Botswana withstand pressure from both South Africa and the African National Congress, the US is boosting the strength of Botswana's small defence force with highly sophisticated modern weapons including anti-tank missiles and radar-guided, rapid-firing anti-aircraft guns.

Delivery of 50 TOW anti-tank missiles plus four launchers for them took place last September, and 50 more are to be delivered by September this year, according to a Pentagon spokesman.

Last month the US shipped three Vulcan anti-aircraft weapons systems to Botswana.

## Rapid fire

Vulcans are six-barrelled 20 mm guns that fire up to 3000 rounds a minute.

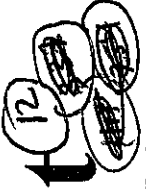
Guided by radar and computer, they can chop a hostile aircraft out of the sky with a burst of fire so rapid that individual shots cannot be heard.

Though the weapons package — worth more than R14-million — is relatively small for a country with long and vulnerable borders, it reflects Washington's determination that Botswana, a reliable pro-Western ally, must be able to defend itself adequately.



# US gives Botswana new arms clout

Star 6/2/87



Sophisticated American weapons acquired by Botswana mean that the SADF can no longer launch attacks on African National Congress targets in that country with impunity.

Whether this will encourage the Botswana government to allow the ANC greater freedom to launch insurgency into South Africa from Botswana remains to be seen. But it will certainly not help Pretoria's long-running diplomatic efforts to persuade Gaborone to crack down harder on ANC infiltration through Botswana.

And it could force the South Africans to change tactics, sending covert hit squads against ANC targets in Botswana rather than soldiers operating openly in uniform.

## CONSPICUOUS BY ABSENCE

The Botswana Defence Force has in the past been hopelessly outgunned by the SADF, and has been conspicuous by its absence during past SADF attacks on alleged ANC bases and transit centres in and around Gaborone.

Now the BDF has the highly effective TOW anti-tank missile, and the formidable Vulcan anti-aircraft gun, both supplied by the United States under a R14 million arms package.

The US is reported to have agreed to give Botswana military aid worth nearly R20 million a year for an unknown period.

The BDF has four TOW launchers and 50 missiles, and will receive another 50 missiles by September, according to a Washington report quoting a Pentagon spokesman.

The TOW is a wire-guided missile that was supplied by the US to Unita rebels in Angola, and used effectively by them against the Soviet tanks of the MPLA and Cuban forces.

Only three of the Vulcan systems appear so far to have been delivered, but even three could be used

By **GERALD L'ANGE**,  
Editor of The Star's Africa News Service

Pretoria's efforts to persuade Gaborone to crack down harder on African National Congress infiltration into South Africa could be affected by the weapons deal the country has reached with the United States. Botswana has now sophisticated and formidable anti-ranks missiles and anti-aircraft guns. Last year Botswana acquired an unknown number of British-made ground attack jet planes.

with great effect against hostile aircraft. Guided by radar and computer, the six 20 mm machineguns in each system can fire up to 3 000 rounds a minute — so fast that individual shots cannot be heard.

The Vulcan is similar to the rapid-fire guns used by US warships in the Persian Gulf to shoot down approaching Iranian missiles.

## HIGHLY RESPECTED

It is believed to resemble a multiple-barrelled anti-aircraft machinegun which was supplied by the Soviet Union to the MPLA and Cuban forces in Angola, and reputedly was highly respected by South African airmen.

The supply of the US weapons is understood to have been negotiated during a visit to Washington last year by the chief of the BDF, Major General Mompoti Merafhe.

How they reached Botswana is not known, but they might have been brought in on US Galaxy transport aircraft that have reportedly been seen at Gaborone airport recently.

Their arrival has coincided with reports that troops of the US Green Berets unit have been seen in Botswana.

These reports could not officially be confirmed, but military sources in Botswana denied that there were any American troops in the country other than the Marines brought in to guard the big new US Embassy that is nearing completion in Gaborone.

The sources suggested that the reports might have arisen from the presence in Botswana of green-bereted British soldiers who are training the BDF troops.

Botswana's defence capability was strengthened last year by the acquisition of an undisclosed number of British-made Strikemaster ground attack jet fighters.

Unconfirmed reports said nine of the aircraft were bought second-hand from Saudi Arabia. Though relatively old, and no match for the SAAF planes, they could theoretically be used effectively against ground forces.

According to reports from Washington, the shipment of the TOWs and Vulcans was speeded up following a warning from the Pentagon that delays in their supplying might lead to Botswana turning to the Soviets for arms.

Botswana already has Soviet-made armoured personnel carriers of elderly vintage.

## FRONTLINE STATES' DEFENCES

The decision of the US to supply arms to Botswana is in line with an apparent readiness by Western nations to strengthen the defences of the Frontline states against South Africa's armed forces.

Botswana is believed to be the first of the Frontline states to receive weapons from the US, which previously had confined its arms involvement in southern Africa to supplying Unita in Angola.

Britain is providing military training not only to Botswana, but also Zimbabwe and Mozambique.

France, which has supplied helicopters to the MPLA in Angola, has recently held talks with Mozambique on the possible supply of arms.

## SRC goes to court

GABORONE — The University of Botswana's Students Representative Council is going to the High Court to try and force the authorities to reopen the university. The case is to be heard on Friday. The University's Council closed the university about two weeks ago following

student unrest. (12)  
The students were protesting against a statement they were forced to sign under which they undertook not to take part in illegal demonstrations. The Academic Staff Association (ASA) has meanwhile called the council's decision "hasty and unwarranted".

# Plan for US military aid for Botswana

B/Dam 15/4/89 SIMON BARBER (12)

WASHINGTON — The Pentagon proposes to give Botswana \$4m next year for US military equipment to deter cross-border incursions, according to unpublished budget documents.

It also asks the US Congress to increase the annual \$350,000 set aside for training Botswanan officers under its international military education and training (IMET) programme.

A high-level government commission warned last year that Gaborone was turning to the Soviet Union for arms because of the unreliability of US supply.

In 1982, the Pentagon developed a five-year plan to help equip the Botswana defence force. A total of \$18m was provided in 1984 and 1985, but funding was slashed to \$3.35m in 1986 and \$1.5m in 1987, and abolished in 1988.

Promised arms deliveries have also been delayed. Three anti-aircraft guns expected early last year will only be delivered next June.

The Pentagon hopes to set aside \$450,000 in 1990 for Lesotho, Swaziland and Zimbabwe, all IMET participants but not receiving direct US military aid.

## Botswana develops tele links

GABORONE. — Botswana and Norway have signed a R12 million grant agreement to develop Botswana's telecommunications system to the north and west of the country. (12)

The Ministry of Finance says the total project will cost R66 million and will extend the microwave network from Francistown to Maun and the Ghanzi and from Nata to Kasane.

The cost will be met partly by domestic sources as well as by a R55,5 million export credit. — The Star's Africa News Service.

(12) Star  
17/2/89

## Police spy went to Botswana

### Staff Reporters

Mr Billy van Zyl, the South African who is alleged by the African National Congress to be held by them because he is a police spy, is a photographer who previously worked as a freelancer for a Port Elizabeth morning newspaper.

He studied photography at the Port Elizabeth Technikon and after working in the city, went to Botswana. His movements after that are unknown.

Mr van Zyl is thought to have come from Burgersdorp, in the north-east Cape.

A friend of black journalists, his flight into exile four years ago went largely unnoticed, except by those who had suspected him of being a police spy for some months before his departure.

### FRIENDS

At the time Mr van Zyl told friends he had been called up for military service but did not intend to report for duty. Military police later questioned friends.

He intended claiming political asylum in Botswana and sold all his possessions. Nothing was heard of him until several months later when a friend received a letter postmarked Gaborone.

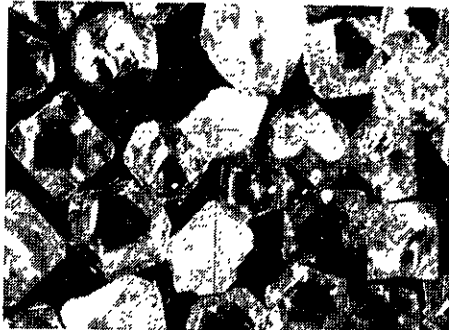
He wrote of having been detained for three months in a refugee camp by the Botswana authorities. He shared a house with a woman lecturer at the University of Botswana and started a photographic business with a Botswana resident.

Mr Ian Difford, the head of the photographic department at the Port Elizabeth Technikon, said last night Mr van Zyl had not been a particularly good photographer. "It's difficult to say what kind of person he was. He didn't adopt a very high profile."

### Population boom

With De Beers' monopoly of the international diamond market under scrutiny and a projected levelling-off in the demand for diamonds, Botswana may have come to the end of its recent economic boom.

Speaking in London on *The New Economic Reality for Botswana*, National Bank of Botswana Governor Quill Hermans said:



**Diamonds ... first in value**

"Our diamonds are first in value in the world, third in volume and account for more than 50% of our exports."

Hermans described Botswana as one of the success stories of the Third World with "a functioning, stable political system and very experienced leadership," and said substantial aid is used wisely.

(12)

A major problem, however, is that the population has doubled since independence. "Usually economic success reverses the fertility increase, but not in Botswana, where 7,2 children is the average per family and 50% of the population is under 16. We have the second highest population growth rate in the world, which is unsustainable. The plateauing of the economy coincides with highly educated youngsters coming on to the market. We need 23 000 jobs a year for them."

Though 80% of the population is rural, the phenomenal growth has been in the urban population. Small manufacturing enterprises are proving highly successful, though the thriving textile trade is not indigenous.

Though there are 100 000 unemployed there is a declining interest in subsistence farming. Most people prefer white collar jobs. Yet politics, he observed, remains dominated by the rural ethic.

"With a general election due later this year, we have to look outwards and encourage private investment from inside and outside the country. There is a large trade surplus with foreign exchange reserves larger than those of SA. We also have liberal exchange controls — the best on the continent.

"Botswana has had the benefit of rapid

(12)

economic growth. Now we must face the challenge of a levelling-off of the boom without slipping into doom."

FMMIL 17/2/89.

## Botswana residents get big cut in personal tax

BOTSWANAN Finance Minister Peter Mmusi has announced a significant reduction in personal income tax for Botswana residents.

Tax amendments, including separate taxation of spouses, will be effective from July 1, Mmusi said in his 1989 budget speech.

Tax on beer, wine, and spirits will rise, as will that on petrol and diesel.

The government would be suggesting restructure of transport permits and fees and control of overloaded vehicles to raise further revenue for road maintenance, said Mmusi.

The government had forecast a surplus of 282-million pula for the end of the 1989-90 financial year, representing 19-million-pula decrease compared with revised estimates for 1988-89. — Sapa.

17

# Botswana brokerage — first step to establishing a stock exchange?

TRADING of shares in public, unlisted companies by a newly-established Botswana stock brokerage company should begin after the appointment of a chief executive at the beginning of May.

A senior official of the Botswana Development Corporation (BDC), Michael Hopkins, said last week the BDC had shortlisted candidates for the position and would decide over the next two weeks who would fill the post.

Hopkins, who heads the BDC's financial division, said he hoped to have a chief

**BRUCE ANDERSON**  
executive in the new post by the beginning of May.

"The money for the formation of the stock brokerage company is there and the shareholder's agreements have been signed," said Hopkins.

He said, however, that Botswana was not aiming for the immediate establishment of a fully-fledged stock exchange.

He said Botswana already had publicly traded companies. More than 20% of the shares of these companies, including IGI

Botswana and Barclays Bank of Botswana, were held by Botswana citizens or by funds.

"We would expect that as soon as we are operational we will begin to list the traded prices of those companies," said Hopkins.

All that was needed to set the new company in motion was a chief executive who could devote all his time to the new brokerage which would be based in Gaborone, Botswana's capital.

If the number of companies traded through the brokerage grew, then Botswana would consider the formation of a

proper stock exchange, said Hopkins. It was not possible at present to elaborate on the relationship between the envisaged Botswana exchange and exchanges in southern Africa and the rest of the world, he said.

The question of relationships with other exchanges and related issues such as policy dealing with exchange control, local investment overseas and foreign shareholdering would be determined by the new chief executive in consultation with the Botswana government and the Bank of Botswana.



## Botswana (12)

### varsity reopens

GABORONE — The University of Botswana, closed because of student unrest, will reopen on March 3, 1989.

The students had been protesting about a declaration they had to sign in which they undertook not to boycott lectures or take part in illegal demonstrations. — The Star's Africa News Service.

# Judgment reserved in Bop cowardice case <sup>slaw 2/12/84</sup> (12)

GABORONE — Judgment was reserved yesterday in the appeal of a Botswana Defence Force corporal, Joel Kgantlete, sentenced to 15 years' jail last year by a court martial for cowardice during an SADF raid on March 28 last year.

Corporal Kgantlete was found guilty of failing to engage the enemy when SADF troops raided a township in which three Botswana citizens and a

South African refugee were killed.

Corporal Kgantlete's lawyer, Mr Sidney Pilane, told Mr Justice Barrington Jones the sentence was "grossly excessive". He submitted that the court had not proved his client had acted in a cowardly manner.

Mr M Letsididi for the State said a correct verdict had been reached.

# r R2-billion

SITimes 26/2/89

(12) (8/2/89)

## Deal sparks Foden confidence



### Two Foden S106Ts ... Botswana deal fuels hopes for further inroads into neighbouring countries

THE latest sale of five Foden truck tractors to Botswana has heightened interest in the relaunch of the vehicles by Sureparts, a division of the Sure Group.

The R1,8-million contract for five Foden S106Ts — placed by bulk fuel, livestock and food hauliers Oasis Store — has delighted Sureparts managing director John Sanders, who is hop-

ing to make further inroads into neighbouring countries.

Oasis's buyer Reg Vize said: "The Fodens are 30 per cent lighter than comparable vehicles and have 30 per cent improved fuel consumption.

"Apart from those two most important cost-saving factors, my drivers say the Foden cabs are the best and

most comfortable they have ever operated," he said.

Because of the rugged terrain over which the Fodens have to operate in Botswana, Sureparts fitted the trucks with larger tyres and wheels, bull bars, long range tanks and heavy-duty ancillary equipment.

The Botswana order, one of the biggest to date, puts at

25 the number of Fodens sold since last July. Among buyers are Cargo Carriers and Petrocol.

With the financial year ending in March, Sureparts is confident of meeting its target of 30 Fodens and is also confident of meeting the budgeted sale figure of 50 vehicles in the next financial year.

## New envoy <sup>(12)</sup>

### for Botswana

GABORONE — A new British High Commissioner, Mr Brian Smith (53) is due to arrive in Botswana soon, it has been announced in Gaborone.

He is to replace Mr Peter Rafferty.

● The Swedish liberal party chairman, Mr Bengt Westerberg, is to visit Botswana this week.

He will visit Swedish development projects in Botswana. — The Star's Africa News Service.

THEY call them Bo-Bashi. Small groups of boys between 10 and 20 years old, in dirty clothes, roaming the streets, disowned by their parents and largely neglected by society.

School dropouts, these children have become a serious social problem, often turning to glue-sniffing, dagga-smoking and other drugs.

Some individuals and organisations have tried to help them, but success has been minimal.

Mpedi Kōontse, chief community development officer of the city council, is trying to set up an organisation that will fund and initiate projects to form suitable programmes for the boys.

The country's Children's Act should cover the problem, but some of its provisions, such as the establishment of schools of industry and reformatories for delinquents, have not been followed through.

The Act protects only those in formal employment. Car washers, for example, are not covered because of the informal nature

## Botswana's big problem

*They spend nights in churches, culverts or public toilets, huddled together for warmth. They exist by begging or washing cars. TONY TEMBO looks at Botswana's street children, who constitute a growing social problem.*

of their employment.

Lawyers blame police training because the emphasis is put on serious crime and little attention is paid to social problems.

They say social dislocation caused by the influx of people from the rural areas into the towns could be alleviated by provision of social amenities and intensive integration efforts.

One lawyer said: "In the past such problems were made easier through the help of extended families, but since that has faded the government could help by providing a system of social security."

A group of Bo-Bashi were recently found sleeping in the Trinity Church Cathedral, from which they stole property, including bread and wine used for Holy Communion.

Some of the boys said they were roaming the streets because their parents did not care for them.

Police chief Richard Waniwa says attempts have been made to return the children to their home villages but they always find their way back.

The city welfare department has tried to round them up and give them food.

Most of the boys are unwilling to work unless paid on a daily basis, and not one is prepared to go back to school. — GEMINI NEWS

# Botrest loss despite sales boom

BOTSWANA RST's (Botrest) accumulated deficit increased by 182-million Pula to P1,35bn — or R1,68bn — in the year to December 1988.

Although the boom in base metal prices boosted the company's operating profit to P281m (R352m), after profit of P20m in 1987 (R25m), huge expenses in respect of interest and currency ex-

change fluctuations resulted in a net loss for the year of P182m (R228m).

Botrest's sales rose quite significantly: nickel by 21% to 22 465 metric tons (18 505 in 1987), copper by 20% to 25 383 tons (21 232) and cobalt by 69% to 294 tons (174).

12 B/Day 6/3/89

Business Day Reporter

Star 6/3/89 (12)

## Oil search is to start in Botswana

The Star's Africa News Service

GABORONE — A Canadian oil company, Petro Canada International Assistance Corporation, has confirmed that it will be involved in a drilling operation in the western Kalahari to search for oil.

A Petro Canada spokesman said the company had spent R20 million checking the potential in the Nossop, Ncojane and Passarge basins of northwestern Botswana.

The spokesman said a new operation costing R34 million will continue investigating the existence of petroleum in Botswana.

Under an agreement signed with the government of Botswana, the company will be involved in drilling to a depth of 4 km in its search for oil.

Botswana's Minister of Mineral Resources and Water Affairs, Mr Archie Mogwe, said last week there was "a possibility of the presence of petroleum deposits" in Botswana.

Mr Mogwe said, however, that the drilling process would be lengthy and could take several years.

## Botswana may strike oil (2)

Star 21/3/89  
GABORONE — A possibility now exists that there is oil in north-western Botswana, the country's Minister of Mineral Resources and Water Affairs, Mr Archie Mogwe, has said.

In a statement, he said Botswana had signed an agreement with a Canadian exploration company,

Petro Chem Botswana, which is searching for oil in the north-west of the country.

He said there would be highly specialised drilling 4 km deep. However, the process would be very lengthy and could take several years. — The Star's Africa News Service.



12  
BOTSWANA'S ECONOMY

# Windfalls of the desert

■ Creeping inflation is the only cloud on this model economy's horizon

It is a country the size of France but one where the cattle outnumber humans — and where Africa's last vast numbers of natural game live in a daunting desert. But in the past decade, the fruits of that desert — the Kalahari — and the good sense of its democratic rulers have converted Botswana into a model economy, not only for Africa, but for the wider developing world.

It has a functioning multi-party non-racial democracy — one of less than five in Africa. Since independence in 1966, its unicameral legislature with some 34 MPs has been dominated by the Botswana Democratic Party, and this has provided a cohesive continuity.

There have been no coups: instead two presidents have been voted into office, the late Sir Seretse Khama and Quett Masire. Talk in the capital, Gaborone, where many MPs and Cabinet members arrive at parlia-

ment in bakkies, is that both would have preferred to have been farmers. If true, this reluctance to hold public office reflects a hands-off approach to and by government that has been entirely beneficial.

Past and present touch. Masire, for example, has a ranch in Ghanzi, which boasts one of the most curious communities in Africa. Most of the farmers in this area of the Kalahari, where there is limestone water, can be traced directly back to Afrikaner voortrekkers. Today their names and accents are still very Dutch, and they are seen as an integral part of the Botswana success story. In summer, using Bushmen and mules, the farmers trek their cattle 500 km through lion-infested desert to the abattoir in Lobatse, said to be the most sophisticated in the southern hemisphere.

The natural beef, rated — along with

produce from the southern Russian steppes and part of Texas — as the best in the world, is flown direct to the European market under a Lomé Convention quota. Near the end of the trek route, still in the Kalahari, lies Jwaneng, one of the richest diamond mines in history. Jwaneng is the single most important factor in Botswana's social economy. It has been described by Harry Oppenheimer as "the most important Kimberlite discovery since Kimberley."

Jwaneng, Orapa and Letlhakane produced about 15m carats in 1988, enough to rate Botswana as the third biggest diamond producer in the world. Preliminary trade stats for 1988 confirm that diamond earnings now totally dominate the economy.

Diamonds earned US\$1,1bn, followed by nickel/copper (\$227m), "others" (\$100m) and beef (\$53m). As a result, Botswana's

international reserves swelled again in December to pula (P) 4,4bn (\$2,3bn). These reserves not only cover imports for more than 24 months — they also exceed 1987-1988 nominal GDP of P3,3bn. The windfall provided by diamond sales has been handled with severe fiscal restraint by Botswana's policymakers at the Bank of Botswana and the Ministry of Finance and Development Planning. All the figures show this rectitude.

The balance of payments and central government budget have been running surpluses since 1984. Preliminary figures for 1987-1988 show real GDP growth of a very impressive 8,1%. This was preceded by figures of 20,2% in 1983-1984; 8,1% in 1984-1985; 8% in 1985-1986; and 10,6% in 1986-1987.

The monetary sector itself is virtually beyond traditional textbook definition — the Bank of Botswana regards itself as a "deposit taker of last resort" rather than a "lender of last resort."

What happens in practice is that large depositors who cannot find a commercial bank with ready borrowers are referred to The Bank of Botswana. The Bank, in turn, takes these deposits and pays interest on them. Rates have maintained a modest profile. The Bank's call rate has been 3,5% for years, with the commercial bank prime rate falling steadily from 11,5% at end-1984 to the current 7,5%. Deposit rates have also fallen, from some 5% (on call) to 2,5%-3%, with yields on 12-month fixed deposits dropping from 10% to 6,5%.

But perhaps the most striking feature of the economy is the size of Botswana government deposits with the Bank of Botswana. These now total about P2,5bn, enough to run the country's recurrent expenditure for two years with zero tax revenue. Government deposits within Botswana grow by the month — a unique situation in the world.

The main influence on the Botswana economy, of course, is SA. For years policymakers in Botswana have battled to cope with SA's high inflation rate and constantly weakening currency. There have been several devaluations of the pula against the US\$. The pula's exchange rate is based on a basket of currencies, including the rand and SDRs.

Botswana's exchange rate policy is geared to striking a balance between maintaining competitiveness of local industries against imports from SA, and containing inflationary pressure. Over 80% of Botswana's imports are



President Quett Masire

from or through SA.

After a low of 6,7% year-on-year attained in May 1988, the inflation rate has been rising steadily, and was recorded as 12% for January 1989. The current high inflation is a result of high inflation in SA — the pula-rand exchange rate has been steady over the past year.

The other problem — structural and far more serious — is population growth, the second highest in the world. The population has doubled since independence, and according to Bank of Botswana governor Quill

Hermans there are an average of 7,2 people per family; and 50% of the population is under 16. Current unemployment is about 100 000, with some 23 000 new job-seekers a year.

This reflects the simple, but fundamental, truth that if diamonds have in any way harmed Botswana, it has been by narrowing the national economic base. In turn, this is reflected in the very low level of interest rates. Most consumers don't qualify for credit, and very few genuinely new businesses are getting off the ground.

The reason for this, accepted by government, is that Botswana cannot make many things that are truly competitive internationally. And government will not countenance the alternative — artificial and costly subsidies to create business activity.

In the meantime, there is an enduring belief in Botswana that many more fortunes lie beneath the vast expanses of the Kalahari desert. Apart from diamonds, copper/nickel is mined at Selebi-Phikwe and there is a small coal mine at Morupule. Proven coal

reserves of billions of tons await exploitation.

London firm Henderson Travers Morgan has done a feasibility study on a trans-Kalahari railway line that would transport coal to a port in Namibia; but it would be monumentally expensive. Vast salt and soda ash deposits at Sua in the Makgadikgadi are to be mined by AECI in a R920m venture.

These developments may help diversify the Botswana economy, where exploitation of minerals is limited mainly by remoteness, vastness and the lack of infrastructure. But the further potential of the desert is huge. An aero-magnetic survey has identified sedimentary basins in the western Kalahari that may contain oil and gas.

Other known mineral resources total 28, including gold, iron, lead, manganese, platinum, silver, talc, uranium and zinc. There are now many prospectors at work in the country, particularly in the western Kalahari, and hopes are high that economically exploitable deposits will be found.

Tourism is doing a roaring trade. On advice from foreign consultants, government has agreed to go for low-volume, big-spending visitors by substantially increasing fees to national parks and other attractions. Hunters will also pay a lot more in future.

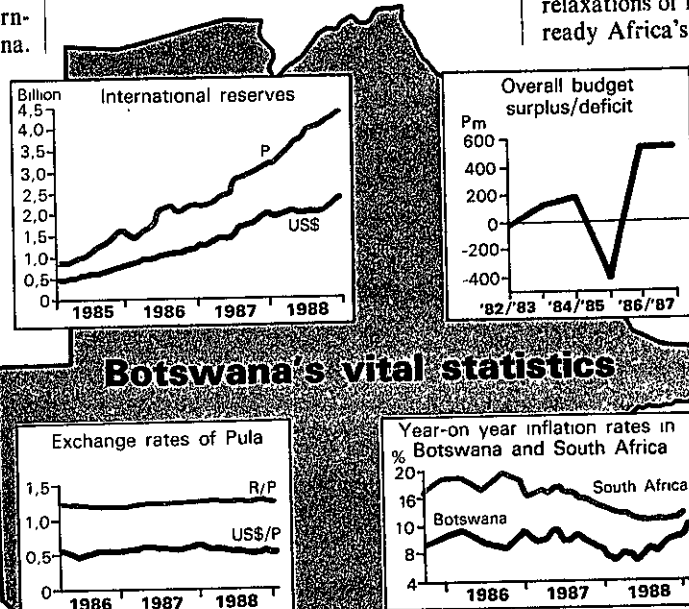
Maun, at the base of the Okavango swamps, might well become Africa's last major centre of big game hunting. But this is not an issue in the lead-up to the 1989 general election, where, once again, the rights of rural people are bound to dominate.

So the chances of pulling down the vast game killing fences in the central Kalahari, erected at the request of the European Community to control foot-and-mouth disease, have faded. And that controversy, like spraying over tsetse-infested bush around the Okavango to allow cattle in, will no doubt remain.

What Botswana wants, and needs, given that diamond revenues will not be forever, is more foreign investment. In the national budget last week, Masire announced further relaxations of foreign exchange controls (already Africa's most liberal), and increased

to five years temporary business residence permits. There were also measures of relief aimed at personal income tax.

There is much speculation about what Botswana will do with its massive international reserves — if anything. The diamond windfall has simply built up. Masire, and many of his colleagues, started their education in Botswana at the hands of Afrikaner missionaries. Evidently one of the lessons of Calvinism — that it is better to save than to spend — hit home. This lesson that has been all but lost in SA. ■



overdue.  
Unfortunately, the issue had been the

areas in the northern Cape and north-eastern Transvaal was being given intensive attention.

pharmaceutical and allied surgical products increased by 96,3%, services by 71,1% and all goods and services by 78,5%.

GABORONE — Botswana's economy continued its surge in 1988

with strong export performance and marked growth in international reserves, said the Bank of Botswana.

Its report for December last year described 1988 as "another successful year" with reserves up \$280m to \$2,293bn against the end of 1987.

Total export value of main commodities — diamonds, copper-nickel matte and beef

## Botswana's economy continues to surge

fell marginally from \$1,479bn to \$1,342bn, but statistics were distorted by a diamond stockpile sale in July, which showed diamond export earnings dropping 20,78% from \$1,341bn in 1987 to \$1,062bn. Without distortion, diamond earnings would have increased 46,6%.

Earnings from copper-nickel matte rose 191% from \$78m in 1987 to \$228m with a

sharp world increase in those metal prices.

The value of beef exports continued its decline from \$60m in 1987 to \$53m, as a result of the Botswana meat commission's reduced rate of slaughter.

The pula depreciated against all major currencies in 1988, falling 19% against the US dollar from the end of 1987. — Reuter.

## US praise for Botswana development

GABORONE — Botswana has received a pat on the back from the US for pursuing a "fruitful and sound" development strategy since independence in 1966.

The praise was given in a report by the US Agency for International Development (USAID) for congressional presentation during the 1089 fiscal year.

The report expressed confidence about Botswana's handling of the economy and said the Botswana government had made "economic reforms on its own initiative and encouraged development of the private sector, investing its own resources in improving the country's infrastructure".

The report, which could positively influence American legislators' thinking in extending financial assistance to the country, said Botswana had expanded social services for all its people in rural and urban areas.

It indicated USAID strategy was consistent with Botswanan government priorities, and was designed to address Botswana's major development problems, with a focus on skills development, employment generation through the private sector, increased smallholder agricultural production and related policy dialogue. USAID also supported programmes in population, low-cost housing, strategic grain reserves and wildlife conservation.

It said mining and cattle industries, profitable as they were for Botswana's economy, provided limited employment opportunities. Other employment possibilities existed in agriculture and in private sector development. The latter, though still at embryonic stage, had strong government support, and received further stimulus from the results of a USAID-sponsored study on its role in Botswana. — ANO.

# Botswana defends SA involvement

GABORONE — Botswana has defended South Africa's involvement in the Sua Pan project, saying the whole region will benefit from it. *SA 22/3/89* (12) and Water Affairs, Mr Archie Mogwe, said Botswana's economic links to South Africa were inescapable. The Sua Pan project would generate economic and commercial benefits for countries in the region, he said.

Addressing Parliament yesterday, Botswana's Minister of Mineral Resources

# Investment mission will visit Botswana

B/Day 30/3/87 (12)

GABORONE — Representatives of 17 US corporations will visit Botswana next week as part of an investment mission arranged by the Overseas Private Investment Corporation (Opic).

Opic was created by the US government to encourage the participation of US private capital and skills in the economic and social development of friendly countries in Africa, Latin America and Asia.

The visiting delegation will be led by Robert Draggon, Opic's vice-president for finance. The mission will be briefed on Botswana's investment climate by officials of the Ministry of Commerce and Industry.

The mission also hopes to meet President Quett Masire, senior government officials and members of the business community.

A British newspaper has described Botswana as a land of good fortune which in 22 years has transformed itself into a nation in credit in a world awash with debt.

The special supplement on Botswana was published in the London Observer this week.

The Observer talks to and carries colour pictures of President Masire, the Vice-President and Minister of Finance and Development Planning Peter Mmusi, various government ministers and Botswana Development Corporation (BDC) GM Mike Molefane, as well as leading businessmen.

Masire is described as a man endowed with "prudent management and a sense of humour", special attributes which had helped steer Botswana "From the grind of poverty to a position where it is today the fastest growing economy in Africa".

## Democracy

About threats to Botswana's stability, the paper says: "It is the presence of South Africa, which looms over all considerations of Botswana.

"It requires often delicate diplomatic footwork from this small non-racial parliamentary democracy as it deals with the racial oligarchy next door, which it opposes in principle, but which also happens to be its biggest trading partner."

## Construction starts on soda ash project

GABORONE — Another step has been taken in the development of the 736-million pula soda ash project at Sua Pan with Soda Ash Botswana, the company responsible for the development of the project, beginning construction.

A construction camp, which was erected a number of years ago during the early days of the pilot plant, has been activated and the road leading to it from the main Francistown-Maun road has been upgraded to enable the transport of men and materi-

als into the area.

A short air strip, which has been dormant for a number of years, has been reactivated.

The company said construction of this major project was expected to be completed by early 1991 and was not only expected to provide a boost for the economy of Botswana, but for the southern African region as a whole.

The plant would produce 300 000 tons of soda ash and up to 650 000 tons of salt a year. — Sapa.

## Botswana deports

### 9 South Africans

*Star 31/3/87*  
The Star's Africa News Service

GABORONE — Botswana has deported nine South Africans for "security reasons" after holding them for two days in the northern town of Francistown.

According to a police spokesman, the nine men, both black and white, had said they were in Botswana to market a cleaning agent, but reportedly had little knowledge of either the product or of selling.

#### HANDCUFFS 12

One man was reportedly carrying a rocket flare, while another was in possession of a pair of handcuffs.

The men were escorted to the South African border yesterday after having been arrested on Tuesday this week.

The names of the nine are not known.

# Booming Botswana beckons SA

**BOTSWANA, one of Africa's fastest-growing economies, presents an excellent investment opportunity for South African businessmen.**

Botswana Finance Minister Peter Mmusi says Botswana's foreign-currency reserves have overtaken SA's, and are estimated at \$2,26-billion (R3,6-billion) as opposed to SA's R4,93-billion last December.

South African Foreign Trade Organisation (Satto) Africa head David Muirhead says Botswana is booming.

"His current reserves are big enough to cover almost three years of imports. Its national debt is minuscule when compared to other African countries (the debt service ratio is below 3%) and it has an experienced and committed leader in Quett Masire."

Yet at independence in 1966 it was one of the 20 poorest countries in the world.

**By Robyn Chalmers**

Its new-found wealth lies in the discovery of diamonds soon after independence. They have contributed greatly to the average 12% economic growth rate of the past 10 years.

Botswana is the non-communist world's third-biggest diamond producer. Diamonds earn up to 75% of its export wealth. Its No 2 source of income is interest from foreign investments.

Mr Muirhead says the Botswana Government has invested the dollars earned from diamond sales in foreign banks and ventures. It earns between \$3,5-billion and \$4-billion a year in interest.

Botswana has been looking for ways to reduce its reliance on diamonds for some time and encourages foreign investment

through a variety of incentive packages. These include a tax holiday of five years and Government financing of up to P1 000 for each person employed by a foreign-owned corporation.

A relaxation of foreign-exchange controls, the ability of investors to borrow in Botswana up to three times their initial investment and the relative freedom to remit dividends help investment.

Foreign investors are interested. Representatives of 17 United States corporations will visit Botswana in the next few days as part of an investment mission arranged by the Overseas Private Investment Corporation (Opic).

The United Kingdom's Lonrho and Metal Box as well as America's Heinz and Colgate Palmolive have all made investments in Botswana in the past 18 months.

Investment opportunities in Botswana exist mainly in manufacturing exports

because the domestic market is still small.

Mr Muirhead says: "Botswana is essentially an agrarian society. The average Botswana is happiest on his ranch with his cattle. Although this has resulted in cattle being an important industry in Botswana, it has also caused a shortage of skilled labour and a heavy reliance on SA for many goods."

"I estimate that 70% of all imports originate in SA, and 100% come through it."

Gaborone, the capital, has a rapidly developing urban infrastructure, and there are many signs of SA influence from the books and taxis to the beer, milk and vegetables.

SA also has a large share of Botswana's diamond wealth. Debswana, the sole dia-

mond-mining concern in Botswana, is 50% owned by De Beers.

The Sau Pan soda-ash deposit project, which is already under construction, will strengthen SA links. De Beers, together with Anglo American, will hold 25,5% of the P262,5-million equity capital of Soda Ash Botswana, the company responsible for development of the project.

About 26,5% will be held by SA's AECI, which will take 80% of projected annual output of 300,000 tons of soda ash.

Botswana is, however, trying to become more economically independent of SA. Apart from encouraging foreign investment, it has become a big exporter of high-quality garments, has taken special job creation measures, is sponsoring a development project at Selebi-Phikwe and is placing much importance on promoting tourism, the country's fifth-largest foreign-currency earner at about P50-million.



**QUETT MASIRE** ... strong leadership

(12)



# Mbeki is believed dead

TOP Botswana lawyer Mr. Jama Mbeki, who skipped bail in 1984, is believed to be dead, the Botswana Press Agency reports.

Mr. Mbeki, a South African exile, was facing charges of murder and mismanagement of his trust account when he absconded.

The initial accounts were that he joined the ANC in Lusaka where he allegedly met his death.

Since Radio Botswana published a speculative story of his death on Wednesday, Mr Mbeki's close associates in Botswana and abroad had expressed surprise why Bopa was only running the story when the man actually died three years ago.

Following days of inquiry from Bopa, the ANC headquarters in Lusaka, finally released a statement saying "as far as the ANC is concerned he never joined the ranks of the ANC after he left Botswana."

12

Swafan 7/4/89

## Botswana gets US missiles

LONDON — Botswana has taken delivery of unspecified quantities of TOW missiles and 20 mm Vulcan M167 anti-aircraft guns from the US, it has been disclosed in London.

The total cost of the deal is estimated at R10 million, reports *Jane's Defence Weekly*.

The US security assistance programme for Botswana also calls for the expansion of a fleet of V-150 Cadillac-Cage armoured personnel carriers intended to increase the mobility of the country's 3 250-strong military force. — The Star's Foreign News Service.

12  
Star 7/4/84

Star 10/1/87

# Inflation rate in Botswana 12 pc

The Star's Africa News Service

GABORONE — Statistics released here show that the inflation rate in Botswana is now 12 percent.

However, this figure has been disputed by businessmen who say the realistic rate is probably around 18 percent as over 80 percent of Botswana's goods are imported from South Africa.

According to figures released here, the inflation rate in the urban areas was 13,2 percent in February while in the rural areas it was 10,1 percent.

Sowetan 12/1/89

# Plea to swop son

GABORONE — The mother of a man in death row after being convicted for his role in the African National Congress, has sent an "SOS distress signal" to Botswana in a bid to secure clemency, the weekly Botswana newspaper, *The Gazette*, said yesterday.

Bopa, Botswana's news agency, reports that in a front page story, *The Gazette* says Mrs Doris McBride of Wentworth, Durban, is appealing to the Botswana Government to have her son, Robert John McBride (25), swapped with two South African commandos serving 10 years' imprisonment for their part in an attempted raid on Gaborone last year.

The two commandos, Johannes Basson and Theodore Hermensen, who were part of a seven-man raid team were arrested by members of the Botswana Defence Force near Gaborone in June.

## Letter

Mrs McBride is reported as having sent a letter to the president of the Student Representative Council of the University of Botswana, at the request of her son, who belongs to the ANC military wing Umkhonto we Sizwe.

Mrs McBride told *The Gazette* that she might be informed any day that her son would be hanged within seven days.

## Spy

She said she had hoped her son would be exchanged with Olivia Forsyth, a South African spy who was captured by the ANC in Angola and later escaped before seeking refuge in the British Embassy. She is now back in South Africa.

She felt that the prisoner swap deal with the Botswana Government "would be a good way" in which the Government of Botswana could exert pressure on Pretoria to secure clemency for McBride.

The Minister for Presidential Affairs and Public Administration responsible for security and justice, Mr Ponatshogo Kedikilwe, said he had not yet seen the letter alleged to have been sent to the SRC. — Sapa.

## Botswana reserves rise sharply again

*Star (19/1/89)*  
GABORONE — Botswana's foreign reserves have again risen sharply, the Bank of Botswana has disclosed in its February economic review just released.

In the first two months of 1989 the reserves rose by R417,5 million to R5 782,5 million. (12)

Total export earnings from diamonds, beef and copper nickel increased 124,5 percent over the same period last year. —  
The Star's Africa News Service

## Cowardice

### conviction:

### soldier freed

The Star's Africa  
News Service

GABORONE — The High Court has freed a Botswana Defence Force corporal jailed by a court-martial for failing to attack South African troops raiding Gaborone.

Corporal Joel Kgantlepe had been sentenced to 15 years in jail for cowardice in the face of the enemy by failing to engage the SADF on March 28 last year, during a raid in which three Botswana women and a South African refugee were killed.

Mr Justice Barrington Jones quashed the conviction.

He said there was no reliable evidence that the corporal had expressed any personal fear in his role as a section commander on the night in question.

The judge said no evidence had been led to establish how two privates in the patrol had concluded that a minibus seen after the shooting incident had been driven by the persons involved in the attack.

The judge said he did not find it surprising that the corporal had refused permission for the privates to fire at the minibus while he was trying to communicate with and await orders from headquarters.

## Botswana Coward acquitted

LOBATSE, Botswana. — The High Court has acquitted a Botswana Defence Force (BDF) officer who was sentenced to 15 years imprisonment last year for failure to engage a raiding South African commando team in Gaborone.

Corporal Joel Kgantlepe was the leader of a BDF patrol in an area of Gaborone where the South African commando killed a South African refugee and three young Botswana women in an early morning raid.

He was convicted and sentenced by a court martial for cowardice.

The High Court said there was no evidence that he expressed any personal fear. — Sapa

## Government plan Chernobyl

government yesterday cancelled two new reactors at Chernobyl after the station exploded on April 26, 1986, spreading a cloud of radioactive dust over eastern Europe in the worst nuclear disaster.

JOHANNESBURG. — At least two detainees have been shackled to their beds in Johannesburg Hospital, according to the National Medical and Dental Association (Namda).

The association said in a statement yesterday that this is incompatible with reasonable medical care.

Police yesterday acknowledged shackles were used "when circumstances warrant it", but did not confirm or deny the allegations made by Namda.

A police spokesman said that in the case where a detainee has to undergo treatment in hospital and is therefore taken out of his cell, alternative methods must be used to prevent escape. "When circumstances warrant it, shackles (leg irons) are used."

The public relations department at Johannesburg Hospital said any information concerning detainees in hospital was a police matter.

Namda said doctors involved with treatment of detainees should consult the patients as to whether they wished to be treated while shackled. "We urge the doctors to demand that the shackles be removed, to refuse to treat patients while shackled and to indicate in writing that the police and district surgeons are responsible for the complications of non-treatment since they are refusing to follow the doctor's orders." — Sapa

## Detainees 'shackled to beds in hospital'

## 2 journalist detainees released

JOHANNESBURG. — For the first time in at least three years, there are no journalists in detention following the release this month of two who have been held for long periods, according to the Anti-Censorship Action Group's (ACAG) March update.

Mr Brian Sökutu, (32 months in detention) and Mr Beliswa Mhlawuli (six months) were released to a "very circumscribed" freedom.

Two publications, Grassroots and New Era, are still suspended, their emergency restrictions only coming to an end in May.

One other, Al Qalam, received a final warning from the Minister of Home Affairs, Mr Stoffel Botha. — Sapa

**Progress** (12)

GABORONE — Botswana has been described as a model in educational progress in Africa, the Botswana Press Agency reports. *Sactan 26/48*

Addressing a three-day national curriculum consultative conference in Maun last week, USAID director, Dr John Hummon, said education had expanded explosively in this country. — Sapa.



SA has talks with Botswana

Argus Africa News Service

GABORONE. — The Deputy Foreign Minister of South Africa, Mr Kobus Meiring, and the Botswana Foreign Minister, Dr Gaositwe Chiepe, have had talks here that are believed to have dealt, among other subjects, with the bid by the Frontline states to send a monitoring mission to Namibia.

A spokesman for the Department of Foreign Affairs in Pretoria said only that Mr Meiring

was in Botswana for a "courtesy visit".

There was no mention on either side of reports that Dr Chiepe had planned to lead a Frontline states delegation to Namibia last Sunday to establish a permanent mission to monitor the implementation of the Resolution 435 independence process.

Dr Chiepe did not arrive in Namibia after South Africa maintained that only the UN had monitoring rights there.

Jan 28/4/89

(12)

## Sharp rise in Botswana's international reserves

GABORONE — Botswana's international reserves rose sharply by \$106,8 million during the first two months of 1989, according to the latest Botswana Reserve Bank report.

The total reserves for diamonds, copper/nickel and beef are \$234,6 million in January and February 1989 as against \$127,8 million for the same period last year, the report says.

It says export markets have been especially supported by the surge in international metal prices, resulting in much higher prices for copper and nickel matter.

Diamond earnings alone rose to \$169,1 million from \$99,2 million in the corresponding two months last year. Over the same period, copper/nickel exports rose by 158 percent from \$22 million to \$56,8 million.

According to the report the demand for stainless steel supported nickel prices during the period.

Earnings for beef exports for the first two months of 1989 recorded a growth of 31,8 percent to \$8,7 million. — Sapa.

## Botswana flush for second year

GABORONE — Botswana said yesterday strong base metal prices and an increase in diamond output boosted export earnings and foreign reserves last year.

A Central Bank report showed traditional diamond, nickel and beef exports earned 2,4bn pula (\$1,2bn) to match 1987's record earnings when the country sold a 1bn pula (\$500m) diamond stockpile.

Botswana is the third largest producer of the gems in the West.

The year-end figures were boosted by a 25% surge in the value of export earnings to nearly \$416m in the last quarter of 1988 compared with the same period the previous year. This was due to a 15% rise in diamond production and firm prices for nickel.

The bank said the value of imports rose nearly 166m pula (\$83m) last year to 1,7bn pula (\$850m) to give a balance of trade surplus of more than 700m pula (\$350m).

Foreign reserves rose 12% on 1987 to 4,3bn pula (\$2,1bn). — Sapa-Reuter.

## Grenade found outside Botswana stadium (12)

GABORONE — The Botswana Defence Force last night detonated a hand grenade spotted a few metres away from the national stadium where a soccer match was in progress, the Botswana Press Agency reported.

The grenade was apparently found by a passer-by who reported the matter to the Botswana police.

Major-General Ian Khama, commander of the Botswana Defence Force, was present when the grenade was detonated.

Observers believe the grenade could have been left by South African commandos during one of many raids on Gaborone, starting last June 14, when 12 people were killed. — Sapa.

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15751

**SHAPELY CHOICES:** Could one of these beauties — Theresa Dayzel, left, and Mar-  
tez Saporta — become Miss South Africa 1989? The tension is mounting for the 12  
finalists, who will know the answer tomorrow night. Television viewers can catch all  
the drama on TV4 in a live broadcast from 9 pm.

## SA six in Botswana court on arms charge

Argus Africa News Service  
GABORONE. — Six South Afri-  
cans have appeared in the  
magistrate's court in Gaborone  
on charges of illegal possession  
of arms and ammunition of  
war.

The six are believed to have  
been arrested in Botswana  
shortly after the mortar attack  
on the SADF radar station at  
Klippan near Slurry in the

*12* *1989*  
Western Transvaal on May 3.  
No reference to this attack  
was made in court, however,  
when the men appeared briefly  
this week and were remanded  
to Tuesday. They were in leg  
irons and strict security mea-  
sures were taken at the court  
building.

The men were identified as  
Saku Senzangankona, Tebogo  
Letshwaro, Eric Kgomo, Muga-

bulo Niongolo, Edward Moagisi  
and Siphon Makgalema.

The Klippan attack was said  
by the Commissioner of Police,  
General Hennie de Witt, to  
have been done by a group of  
African National Congress in-  
surgents who had entered from  
Botswana. One of the group  
was said to have been captured  
and the others to have fled  
back into Botswana.

**NATURE COSTS LESS AT HARMONY**

We don't (12)  
recognise (12)  
bantustans  
— Botswana  
*Star 19/5/89*

The Star's Africa News Service

GABORONE — Botswana's refusal to recognise Bophuthatswana or any other independent homeland in South Africa has been reiterated by a spokesman for the Ministry of External Affairs.

The spokesman was commenting on reports in the South African news media quoting Mr Justice M W Friedmann as saying Bophuthatswana had satisfied all the requirements for international recognition.

Approached for comment by a Botswana newspaper, the *Guardian*, the spokesman said: "We don't recognise any bantustans including Bophuthatswana. Our stand is clear."

# 6 SA men <sup>(SAP)</sup> in court on <sup>(12)</sup> Star 19/5/89 arms charges

The Star's Africa News Service  
GABORONE — Six South Africans have appeared in the Gaborone Magistrate's Court on charges of illegal possession of arms and ammunition of war.

The six are believed to have been arrested in Botswana shortly after the mortar attack on the SADF radar station at Klippan near Slurry in the western Transvaal on May 3.

No reference to this attack was made in court, however, when the men appeared briefly on Monday and were remanded in custody to May 23.

The men were identified as Saku Senzangankona, Tebogo Letshwaro, Eric Kgomo, Mugalulo Niongolo, Edward Moagisi and Sipho Makgalema.

The Klippan attack was said by the Commissioner of Police, General Hennie de Witt, to have been carried out by a group of African National Congress insurgents who had entered from Botswana.



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Star 23/6/89 (12)  
**DDT controlled malaria situation**

GABORONE — Botswana's Ministry of Health has said the spraying of DDT has helped the authorities control an "explosive" malaria situation.

Observers here said this was likely to cause controversy among environmentalists who have strongly opposed the spraying of DDT.

A spokesman for the environmental health unit in the Botswana Ministry of Health said malaria had been controlled by DDT. This year there had been four deaths and 1 675 cases.

An explosive malaria situation last year had been controlled by DDT. — The Star's Africa News Service.

Reduced fares <sup>(12)</sup>  
for Botswana <sup>(12)</sup>  
flights announced  
*Star 11/6/57*

GABORONE — Air Botswana and South African Airways have announced significant reductions of their fares between Gaborone and Johannesburg, the Botswana Press Agency reports.

According to Air Botswana, a "business bridge" similar to the one introduced to Francistown last year will be available at 384 pula. The business bridge concept has now been introduced regionally, the statement says.

Air Botswana will also introduce a "super-special two-day return" to Johannesburg, which is available for travel on Starlight 205, departing at 8.30 pm on Wednesdays, and returning on SA 102 on Friday evening.

The airline is also announcing an enhanced meal service and free champagne to all passengers travelling on Starlight 205.

— Sapa

11/6/89  
Banker on  
ANC charge

GABORONE. — A bank employee is to face a charge of subversion after he allegedly attempted to obtain weapons for sale to the ANC.

Mr Gaolathe Mpaesele, a Barclays employee, allegedly contacted a member of the Botswana Defence Force and asked him to steal 10 AK47 assault rifles and 2,000 rounds of ammunition. A local newspaper, The Gazette, said the case had been postponed. — Sapa

## Botswana (12) revalues the pula 5/4/69

GABORONE — The Botswana currency, the pula, which is already superior to all regional currencies, has had its external value increased by five percent against the basket of currencies to which it is pegged, the Bank of Botswana has announced.

The national news agency, Bopa, reports that the revaluation of the pula, which became effective on Saturday, follows economic policies and is intended to slow down the rate of inflation, which has been rising rapidly in recent months.

At the beginning of April, inflation was 10 percent up from about 8,9 percent at the end of last year.

The move will better realign the pula against major foreign currencies after recent developments in international currency markets, says the Bank of Botswana.

It says the government expects to pass on to consumers in full the benefits of the increase in the value of the pula, which will reduce the cost of imported goods.

The pula has been maintaining a clear edge over all Southern African currencies, including the rand and the Zimbabwean dollar.

Botswana is currently enjoying healthy economic growth, with foreign reserves reckoned to be \$1,5 billion, mainly because of the booming diamond industry. — Sapa.

## Italian firm to build railway

GABORONE — An Italian company has won a contract valued at over R100 million to build a railway line from Francistown to the Sua Pan soda ash project in north-eastern Botswana.

Cooperativa Moratori and Cementisti signed the contract with Botswana on Sunday.

Construction will begin on June 15 and be completed by April 1991. — The Star's Africa News Service.

Star 7/6/89

(12)

## Botswana rules <sup>(12)</sup>

### out pact with SA

8-12-68  
Botswana will not sign a non-aggression pact with South Africa despite Pretoria's continued pressure to do so, said Botswana president Dr Quett Masire.

He said his country would continue to receive people fleeing from political persecution in South Africa, according to the Africa News Organisation (Ano), reporting from Washington where Dr Masire is on a visit.

But he added he would not allow attacks to be launched from Botswana on South Africa.

"Apartheid is immoral and unjust... It is the cause of much of the problem of instability we have in southern Africa," he told the Centre for Strategic and International Studies. — The Star's Africa News Service.

Amail

23/6/89.

BOTSWANA

12

## Pula pushes on

With the recent revaluation of its currency, Botswana again widened its economic lead over much of the rest of Africa.

Spurred by capitalism and dominated by diamonds, the economy has Africa's highest growth rate, foreign reserves greater than SA's and the strongest currency in southern Africa — even before the Bank of Botswana increased the pula's value 5% on June 3.

The revaluation was aimed at curbing inflation, now running at about 10%. Botswana imports almost everything and 85% of imports come from SA. Along with these comes SA's 15% inflation, so a more valuable pula will make imports cheaper and reduce inflation, government reasons.

The flip side is that exports become more expensive. But there is room to manoeuvre because diamonds which represent about 75% of exports, are priced in US dollars.

The pula was once pegged to the rand. In the late Seventies a pula was worth a rand. But the currencies have travelled in different directions, with Pretoria's overspending and interference in the economy undermining the rand and Gaborone's conservative government finances and the resulting hefty surpluses boosting the pula.

A pula now costs about R1,33. Its value is pegged to a basket of currencies: the rand and special drawing rights (SDRs) — a financial instrument developed by the International Monetary Fund — with the mix weighted toward the rand. Outside of former French colonies, whose currencies are pegged to the franc, the pula is the strongest currency in Africa and the revaluation is just

the latest of several since 1980.

More are expected as Botswana's mineral exports expand.

Another factor in the pula's strength: Africa's most liberal foreign exchange rules. While the economies of SA and most of Africa labour under restrictive exchange controls, Botswana relaxed its rules further this year to encourage foreign investment.

With a booming economy and a buoyant currency, why not let the pula float freely? The rationale is that it could be disruptive in such a tiny economy, reduce the authorities' influence over inflation and hamper attempts to keep export industries competitive, says Nedbank economist Magan Mistry.

Botswana's experience holds lessons for SA but could provide a veritable education for neighbouring Zimbabwe. While Botswana ranked as one of the world's 20 poorest nations when it gained independence in 1966, Zimbabwe had one of Africa's healthiest, agriculture-based economies when it became independent in 1980.

But nearly a decade of numbing socialist policies have crippled the economy. Disinvestment is running at an annual US\$75m and toughened exchange controls have led to a black market for rands, pulas and other currencies. Officially, one Zimbabwe dollar costs R1,30. But on the black market one rand buys three Zimbabwe dollars. ■



## Court ruling tomorrow on raiders' appeal

The Star's Africa News Service (12) against a target in the Botswana capital in June last year.

GABORONE — The Botswana Appeal Court will give judgment tomorrow on the appeal of two South African Defence Force members sentenced to 10 years in jail last year. *Star 3/7/87*

Johannes Basson (25) and Theo Hermensen (30) have appealed against their conviction and sentence for causing grievous bodily harm following an aborted raid

Three policemen were injured in a shoot-out outside Gaborone. Basson and Hermensen were sentenced to 10 years in jail and eight strokes with a large cane.

A large crowd packed the Lobatse High Court on Friday when the Appeal Court convened for the hearing. Security was tight when the two men arrived.

## SA commandos lose court appeal

GABORONE — The Appeal Court in Botswana yesterday dismissed an appeal against conviction by two South African commandos who staged an aborted raid on Gaborone, the Botswana Press Agency reports.

The Court of Appeal in Lobatse confirmed the 10 year sentences imposed on Johannes Basson and Theodore Hermanssen by the Francistown High Court earlier this year.

STROKES (12)

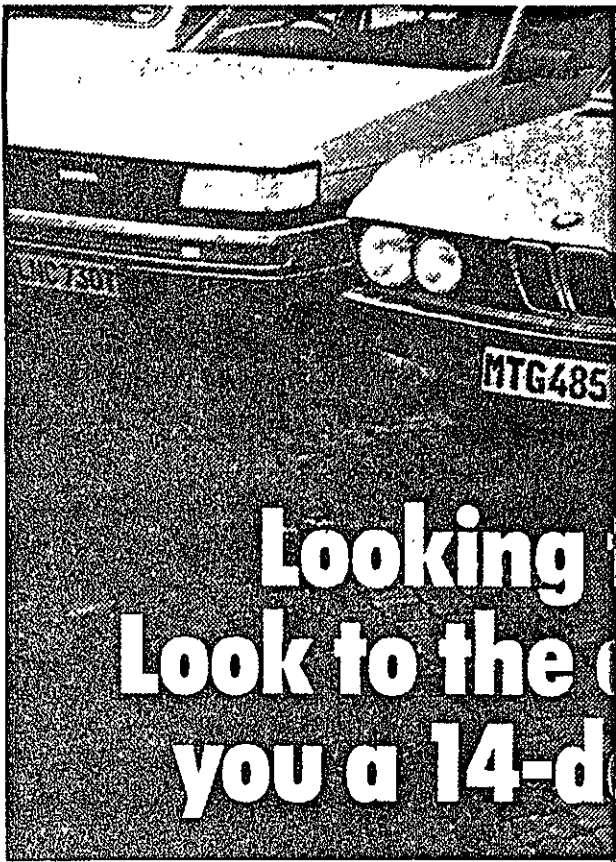
The court, however, set aside the eight strokes which had been part of their original sentence.

In their appeal, Basson and Hermanssen had argued that the trial judge had erred in using Basson's statement to convict Hermanssen.

But the court ruled that this had not resulted in a miscarriage of justice, which would warrant the setting aside of their convictions.

The two commandos were part of a seven-man raiding party whose mission was foiled by the Botswana security forces in June last year. — Sapa.

Unless otherwise stated, political comment in this issue is by H W Tyson, content approved by R G Anderson and D S Walker, and political cartoons by D Anderson, all of 47 Sauer Street, Johannesburg.



**Looking  
Look to the  
you a 14-d**

"Under today's economic pressures, buying a car has become one of the bigger capital investments you are likely to make.

Like any other investment avenue, it deserves careful

the arrests."

Police believed many customers, he said.

## Commandos plea dismissed

GABORONE — The Botswana Appeal Court yesterday has dismissed an appeal against conviction by two SA commandos who staged an abortive raid on Gaborone last year, the Botswana Press Agency reports. *By S. F. 18/1.*

The court turned down the appeal by Johannes Basson and Theodore Hermanssen, and confirmed the 10-year sentence imposed on each by the Francistown High Court earlier this year.

However, the court set aside the eight strokes which had been part of their original sentence.

The two had argued that the trial judge had erred in using Basson's statement to convict Hermanssen, but the court ruled that this had not resulted in a miscarriage of justice. — Sapa.

Correction

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# SA gives border post control to Bop

The Star's Africa News Service

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GABORONE — In a move which could have serious implications for Botswana, the South African Government has given Bophuthatswana control of the Kopfontein border post through which passes nearly all road traffic between Botswana and South Africa.

A Botswana government spokesman said the South African Government had informed Botswana, which does not recognise Bophuthatswana as an independent state, of the hand-over through diplomatic channels. *Star 6/7/89*

The transfer of the border post is said to have taken place on Saturday.

Travellers said they were now required to complete both Bophuthatswanan and South African forms when crossing the border.

## Botswana buys R30m airliner (12)

AIR Botswana is buying a R30-million British Aerospace 146-100, scheduled for delivery in October.

The airline hopes to have the aircraft operational by November, initially on routes from Gaborone to Harare and Nairobi. *S/Twies*

The decision to buy the aircraft was based on its early delivery date; its ability to operate off all airfields in Air Botswana's network and that Air Zimbabwe, with whom Air Botswana is discussing a wide range of co-operative programmes, also operates the BAe 146. *9/1/89*

Air Crew Operating Recruitment Network, the business arm of the South African Airways Pilots Association, plans to buy two BAe 146-200 with options on another three.

# Botswana unruffled by border hand-over

(12)  
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10/7/87

THEO RAWANA

BOTSWANA was not concerned with the hand-over of the Kopfontein border post to Bophuthatswana, Botswanan Political and Economic Affairs deputy director Benjamin Motlhalamme said at the weekend.

Motlhalamme was reacting to reports that the switch would set a poser for Botswana, which did not recognise Bophuthatswana as a body independent of SA.

Speaking from Gaborone, he said: "Although we don't recognise Bophuthatswana, we must allow that there is such an entity near us. Our people should not suffer because of that; so the change-over will involve only the replacement of names — Bophuthatswana for SA," he said.

Press reports said last week SA's giving Bophuthatswana control of the Kopfontein border post, through which nearly all road traffic between Botswana and SA travels, could have some serious implications for Botswana.

Motlhalamme said Botswana was not taken by surprise, because SA had informed it before-hand this was part of the homeland's land consolidation. He conceded that Kopfontein was a major traffic passage point between the two countries, but said it was not the only one under Bophuthatswana control.

"The Kopfontein changeover will be smooth because it will involve only a change of stamps," said Motlhalamme.

"We are all one people basically, and we have no problem in living with each other. There is a lot of traffic between Botswana and Bophuthatswana — what with funerals and weddings and such attended by relatives on both sides," he added.

# Botswana exports 'excellent'

GABORONE — Botswana recorded strong export performance during the first quarter of this year, netting a \$102m increase in international reserves.

During the same period last year the reserves increased only \$23m.

According to the latest Bank of Botswana Bulletin, released yesterday, this year's excellent performance points to 1989 as a record year for Botswana.

Figures for the three main export commodities — diamonds, beef and copper-nickel — amounted to \$393m during 1989's first quarter. This figure was nearly 80% higher than in the same period in 1988.

This year diamond exports are expected to surpass their 1987 performance, when the country's diamond stockpile was sold.

13 (Day 12/7/89)  
Diamond exports for 1989 have been estimated at \$1 378m.

During the reporting period, diamond exports rose 72%, while copper-nickel showed a 110% increase.

The 1988 beef industry recovery continued to improve in the first quarter of 1989.

Government's budgetary operations surplus increase in the 1988/1989 fiscal year seemed to have stimulated the export sector's continuing strong performance, the bulletin said.

But it added that inflation had begun to rise rapidly in mid-1988. Inflation rose from 6,7% in May 1987 to 10,7% in December 1988. The rate accelerated rapidly to 12% in January 1989, but stabilised in February, dropping marginally to 11,7% in March. — Sapa.

## ANC men jailed in ~~Botswana~~ Botswana<sup>12</sup>

GABORONE — Five South African ANC members convicted of charges relating to the possession of arms and ammunition in Botswana, were yesterday each sentenced to an effective five years' imprisonment, the Botswana Press Agency reports.

The accused, who confessed to being members of the African National Congress and participating in political activities in South Africa, were each sentenced to two five-year terms on two counts. <sup>12/1/81</sup>

The court ordered that the sentences run concurrently.

The convicted men are Faku Senzangakhona, Tebogo Letshwaro, Ngabulo Nyongolo, Edward Moagisi and Sipho Makgalema.



# SA hit squad active in Botswana — claim

497-71-115 13/7/89  
By BARRY STREET (12)

THE Botswana security forces suspect that a South African hit squad is operating in the country.

But in Pretoria the police yesterday rejected the Botswana claim.

A spokesman for the Ministry of Law and Order said he was not aware of any such action on the part of the police.

Botswana Defence Force commander Lieutenant-General Mompoti Morafhe said in Gaborone yesterday that a public statement about the matter could jeopardise the investigation, but added that security forces had always suspected the presence of "such people" in the country.

Claims about the presence of a South African hit squad in the city appeared in a lead article in a Botswana newspaper, "Mmegi", last Friday.

SAP sources said it was possible that the "hit squad" in Botswana, if it existed, was composed of dissident ANC members.

## 'Just cause' ANC men jailed

*stawi 13/7/87*  
GABORONE — Five South African ANC members, convicted of charges relating to the possession of arms and ammunition in Botswana, were yesterday each jailed for five years — although the magistrate said they were fighting for a "just cause". (12)

The Botswana Press Agency said the five, who admitted being ANC members and taking part

in political activities in South Africa, were sentenced to two five-year terms on two counts to run concurrently.

They are Faku Senzakhona, Tebogo Letshwaro, Ngabulo Nyongolo, Edward Moagisi and Sipho Makgalema.

The magistrate said they were fighting for a just cause, but possession of arms was a threat to security. — Sapa (13)

# Border post move may hit Botswana

The Star's Africa News Service

GABORONE — In a move which could have serious implications for Botswana, the South African Government has given Bophuthatswana control of the Kopfontein border post, through which nearly all road traffic between Botswana and South Africa passes.

A Botswana government spokesman said in Gaborone that the SA Government had informed Botswana — which does not recognise Bophuthatswana as an independent state — of the handover through diplomatic channels.

## Two forms to fill in

A spokesman for the South African Department of Foreign Affairs yesterday confirmed that the border post had been incorporated into Bophuthatswana, and the farm Kopfontein on which the border post was situated had been incorporated last Friday.

Travellers said they were now required to complete both Bophuthatswanan and South African

forms when crossing the border.

It is estimated in Gaborone that about 95 per cent of the traffic between Botswana and South Africa goes through the Kopfontein border post.

The only other direct border post linking Botswana to SA in the vicinity of Gaborone is Derdepoort — but the road linking Botswana's capital with Derdepoort is a dirt road in bad condition.

A few months ago rail links between Botswana and South Africa were disrupted when the Bophuthatswana authorities demanded that Botswana train crews crossing the border at Ramatlaba-ma apply for visas to enter Bophuthatswana.

As Botswana does not recognise the independent homeland, it refused to comply. A turnaround facility was built on the Botswana side of the border so that trains now do not enter Bophuthatswana.

Last year, rumours circulated in Gaborone that the SA Government planned to buy up farms in the South African corridor through Bophuthatswana along which the road to Kopfontein passes and then hand the land over to Bophuthatswana.

# 'Splashing Vaalies' anger PE locals

By Dawn Barkhuizen

Port Elizabeth residents, faced with stringent water restrictions, are battling to keep their water consumption down — and to control their tempers in the face of "splashing Vaalies".

The water-wasting antics of up-country visitors no longer used to water restrictions are drawing the ire of locals.

While locals are dreaming up

methods to save, holidaymakers from the Transvaal are "just wallowing in our precious water".

On Tuesday the Port Elizabeth City Council restricted each household to 500 litres of water a day from August 1. Existing measures — bans on watering gardens and topping up swimming pools — proved inadequate as dam levels continued to drop daily.

Seaside caravan park owner Mrs Corrinne McKiever said ten-

sion was running high between her guests as those from the coast watched in horror as the "insensitive characters from up-country splashed it about all over the place".

The City Council's Works and Traffic Committee ruled on Tuesday that householders would pay a flat rate of 79,05c/kl for water consumed up to 500 l/day. A penalty of R24/kl will be charged for additional consumption.

# Botswana ready to raise gem output 12

GABORONE — Botswana, the Western world's most important diamond producer, seems to be gearing up for another major increase in output.

The Botswana Diamond Valuing Company is preparing to handle 17 million carats next year (record 15,2 million in 1988).

Sixty new diamond sorters are being recruited to join the 280 in the company's high-security fortress in Gaborone.

At the same time, Debswana, the mining company jointly owned by De Beers and the Botswana government and which is the country's sole producer, is spending \$105 million on a recrush plant at Jwaneng, already one of the world's richest diamond mines.

The plant will use new technology to recover small stones at the rate of two million carats a year from next April.

All this fits neatly with the recent statement by Julian Ogilvie

<sup>Star 17/7/89</sup>  
Thompson, De Beers chairman, that the group can look forward in the near term to a potential increase in production in Botswana.

However, Louis Nchindo, Debswana's chief executive, takes a conservative view.

He says Debswana's and thus Botswana's diamond output is now likely to plateau at about 15,5 million carats, the new plant at Jwaneng simply enabling the mine's annual output to be maintained at about nine million carats.

In 1966, when it gained independence, Botswana was one of the world's 20 poorest countries with a per capita income of \$35 a year.

Today, with diamonds accounting for 78 percent of the national income, the per capita income is about \$1 600.

Last year diamond exports brought in more than \$1 billion in foreign earnings and Botswana

has built up a healthy \$2 billion in foreign exchange reserves.

Since 1982 Botswana's production has more than doubled from seven million carats.

Last year's output of 15,2 million carats (up from 13,2 million carats in 1987) made it the world's third-largest producer behind Australia with 35 million carats and Zaire with 23 million carats, but it is the most important producer of quality stones.

Analysts estimate that Debswana contributes about 55 percent of De Beers total diamond output and half its profit.

Mr Nchindo, who joined the group in 1974, is not only Debswana's chief executive, but is Anglo's resident director in Botswana.

Like many senior Anglo executives he is an Oxford University graduate. In his office, a photograph of a Harry Oppenheimer takes pride of place.

Mr Nchindo says, however, that

diamonds are now too important to Botswana to leave everything to De Beers.

For this reason in 1987 Botswana sold the diamond stockpile it built up in the industry's recession years in 1982 to 1985 to De Beers in exchange for 5,27 percent of De Beers enlarged capital plus a cash sum believed to be \$250 million.

Botswana has the right to appoint two directors to the De Beers board.

Although Botswana's three existing mines have a seemingly unlimited life, it is becoming difficult to recover the stones from the ore.

Several international companies are looking for viable diamond projects and De Beers is spending \$4 million a year prospecting.

But although more than 100 deposits have been located, not one has been deemed commercially viable since Jwaneng in 1982. — Financial Times.

**Masire** (12)

## encourages S Africans

*Star 1977/89*  
ZWENSHAMBE — Botswana was now facing a much brighter future with exciting prospects and is doing so with a growing economy and a united nation, the President, Dr Quett Masire, said.

Botswana press agency, Bopa, reports the president made this observation during his address to the 23rd congress of the ruling Botswana Democratic Party (BDP) he opened on Saturday at Zwenshambe, in the north east district.

Dr Masire said this country's future was promising despite the ever present dangers of surprise attacks by South Africa, adding: "We also look forward with cautious optimism to prospects for peace in the region."

The president said an additional bonus to renewed confidence in a harmonious and peaceful world had been the thaw in East-West relations which had led the super-powers to co-operate in search for peaceful resolution to conflicts.

### FUTILE

Those at the congress also heard that with the achievement of peace, prospects for regional co-operation would be enhanced.

"Like the Angolans, who are now set on a course of reconciliation, most South Africans are beginning to realise that it is futile to continue fighting among themselves and that apartheid is inimical to peace and justice," President Masire pointed out.

He said it must be embarrassing to South Africans to acknowledge that what they represent was all that was anathema to the peoples of southern Africa and was harmful to their economies.

Said the President: "Much depends on the leadership in South Africa, both black and white, but more so on the white leadership because it (the white leadership) has arrogated all political powers and economic privileges to their section of the community, to come to terms and provide all South Africans with a secure and happy future."

— Sapa.

## Something afoot in Botswana

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*Star 17/7/89*  
GABORONE — The Fujien Corporation from the People's Republic of China and the Botswana Development Corporation last week signed a R3 million agreement for the production of shoes in Botswana.

China will supply the machinery to provide 700 000 pairs of canvas-based shoes a year.

Three directors of the company will be from China and two from Botswana. — The Star's Africa News Service.

under the state of emergency.

# US team helps in disaster exercise

The Star's Africa News Service  
**GABORONE** — A team of US military medical personnel is in Botswana assisting the Botswana Defence Force in joint disaster relief exercises.

The team will take part in a simulated civilian disaster in Selibe Pikwe. (12)

The US team will also be involved in medical aid to rural residents and in the training of injury stabilisation and preventative medicine.

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## Voter ID <sup>(12)</sup> requirement is shelved

*Nov 18/1989*  
FRANCISTOWN — The requirement for Botswana voters to produce national identity cards (*omang*) when voting has been deferred, Minister for Presidential Affairs and Public Administration Mr Ponatshego Kedikilwe has announced.

He was speaking to reporters on Sunday after a meeting between President Dr Quett Masire and opposition leaders.

Mr Kedikilwe stressed that the people had been advised to continue to register for *omang*. He also indicated that identity cards would be required to obtain many services.

The all-party consultation meeting had observed that many in Botswana had registered for *omang* but had not received their cards and that they would not have received these by the end of next month.

It was therefore agreed that the exercise would not be complete by the time of this year's general elections. — Sapa.



# Outstanding export performance lifts Botswana's foreign reserves

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8 Jan 24 (1989)  
GABORONE — Botswana had a strong export performance in the first quarter of the year, which boosted its foreign exchange reserves by \$102 million.

Last year, for the same period, the reserves increased by only \$23 million.

The Botswana Press Agency reports that according to the latest *Bank of Botswana Bulletin*, released at the weekend, the excellent performance in the first quarter points to a record 1989.

Figures for the three main export commodities of diamonds, beef and copper-nickel in the first quarter, amounting to \$393 million, were nearly 80 percent higher than in the corresponding period last year.

This year diamonds exports are expected to surpass their performance of 1987 once the sale of stockpile diamonds has taken place.

Diamond exports for 1989 have been estimated at \$1,378 billion, representing an increase over 1988 figures.

During the reporting period diamonds exports were 72 percent higher, while copper-nickel showed an even more spectacular increase of 110 percent.

The recovery in the beef industry

that was seen in 1988 continued to improve in the first quarter of 1989.

According to the bulletin, the continuing strong performance of the export sector seems to have been the effect of increasing the surplus of the government's budgetary operations in fiscal 1988/89 above original expectations.

The report, however, says an adverse development in the economy starting about the middle of 1988, has been the rapid increase in the rate of inflation.

The bulletin says this trend rose from 6,7 percent in May 1987 to 10,7 percent in December 1988.

It says the rate accelerated rapidly to 12 percent in January 1989, but appeared to have stabilised thereafter, remaining unchanged in February and declining marginally to 11,7 percent in March.

Despite Botswana's strong economic performance in the first three months of the year, the pula reached its lowest ebb in thirty months over the same period.

The bulletin says that over this period the pula recorded the most substantial losses against other major currencies.

At the same time it showed a moderate gain of less than two percent against the rand — Sapa.

# Limpet mine in Gaborone drain defused

GABARONE — Botswana security forces yesterday confirmed that a limpet mine was removed from a culvert in front of the house of a magistrate in Gaborone on Tuesday, Botswana Press Agency reports.

A Botswana police CID spokesman declined to disclose the magistrate's name or the suburb in which he resides. (12)

The mine was discovered after a member of the public informed the police about a suspicious package.

Earlier, the magistrate's wife gave the house number to a telephone caller who said there was a parcel to be delivered. Her husband had previously refused to give the address.

The limpet mine scare comes a month after grenades were discovered in a culvert in a suburb of Gaborone. Bomb threats to several institutions have also been reported.

The Botswana Press Agency said: "All the incidents are linked to SA threats to attack Botswana and demands to have two of its commandoes, serving 10 years imprisonment, released." — Sapa.

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S/Times 26/7/87

# Multisource in Botswana

Business Times Reporter  
ELECTRONIC paging, two-way radio and car telephone group Multisource Holdings has secured a base for foreign operations on the eve of its listing.

Multisource is to be listed tomorrow through the reverse takeover of Fintech cash-shell subsidiary Unitech.

Reconstituted Unitech will be renamed Multisource and transferred to the electronics sector of the main JSE board.

The group has bought a controlling interest in Gaborone-based International Air Radio-Botswana for an undisclosed sum, says chief executive Alan Park.

"This gives us a foothold for expansion into neighbouring territories," says Mr Park. "The move is justified because large orders for radio equipment have been received from Botswana, Zimbabwe and Angola."

Mr Park says that since Multisource is a significant cash generator and because Unitech has surplus cash, Unitech will distribute R5,7-million, or 16,7c a share, in cash to its shareholders by way of a reduction of its share premium account, leaving about R7-million in the shell.

Multisource shareholders paid 35,5c a share for the cash shell, about 1c above the cash net asset value of R12-million.

Multisource has offered to buy Unitech minority shares for 35,5c cash, made up of 16,7c through the capital reduction and 18,8c from the Multisource shareholders.

## Forecast

Multisource will consolidate its share capital 4:1, reducing it from 34,3-million shares in issue to 8 575 150.

Multisource turned in pre-tax earnings of R1,57-million in the year to last February and R1,75-million is projected for the current year.

This translates to an earnings forecast in the current year of 20,4c a share.

Mr Park says Multisource's financial structure is strong, and the group is ungeared. Net asset value is R6,3-million, or 73c a share after the consolidation and reduction.

Unaudited figures indicate end-June foreign reserves of US\$2,5bn (P5,2bn). Bank of Botswana economists say reserves are likely to rise further with the runaway success in exports this year. They expect real growth in GDP this year of some 8%.

These factors, say the economists, explain the liberalisation in forex controls. They add that capital transfers can also be made, subject to authorisation by the Bank.

The liberalisations allow the three commercial banks — Standard Chartered, Barclays and Bank of Credit & Commerce — to approve currency allowances without the Bank's approval. ■

BOTSWANA (12) *Final 10/2/84*

**Success story**

Economic performance remained excellent in the first half-year, with exports 48% above the corresponding 1988 period. One result is this week's announcement of further liberalisation of foreign exchange controls, already the most favourable in Africa.

Permanent residents' travel allowances have been increased to P12 000 a year from P10 000, to "keep pace with inflation." Temporary residents' annual remittable allowance has been increased to P250 000.

The pula last traded at parity with the rand in 1983. A substantial portion of imports comes from SA, along with SA's high inflation. This has led to revaluations of the pula to contain Botswana's inflation rate.

The most recent revaluation was on June 3. Latest inflation figures show a full point (1%) fall to 11,5%. Nevertheless, the pula is trading at about R1,34, and set to rise, following further substantial increases in Botswana's foreign reserves.

# Masire sure of another win as economy booms

STAFF

6/10/89

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**GABORONE** — Overshadowed by world interest in events in Namibia, Botswana's 300 000 voters go to the polls tomorrow in an exercise of multiparty democracy the like of which has become more and more rare in Africa since the heady *uhuru* days of the 60s.

Not that the outcome appears to be in contention. President Quett Masire's ruling Botswana Democratic Party (BDP) is expected to retain the majority of the 28 seats it holds in the House of Assembly. The house has 34 elected members and four more chosen after an election by those members.

The official opposition party, Dr Kenneth Koma's Botswana National Front (BNF), has five seats and the old Botswana People's Party one.

In the last election in 1984, the BDP polled 68 percent of the votes and the BNF 20.4 percent.

## Dominated

The BDP, the party of Sir Seretse Khama in the pre-independence election of 1965, has dominated Botswana politics from the outset. It won 28 of the original 31 seats in that election and, although it lost a few to the BNF in 1969, still managed to poll 68.3 percent of the vote.

But while the volume of support for the Democratic Party may have been consistent over 14 years, the texture of the opposition to it has changed in a way that could be of concern to the government at some stage in the future.

In the course of those years, a

By JOHN RYAN,  
The Star's Africa  
News Service

Namibia's forthcoming election may hold centre stage in Southern African affairs at the moment. But, off in the territorial wings, a neighbour is about to move through the process for the sixth time.

pattern has emerged which shows that most of that opposition tends to come from the urban areas.

In 1984, the National Front in particular drew a significant amount of support from academics, businessmen, trade unionists, students and even civil servants in centres like Gaborone, Francistown and Lobatse.

This trend holds an element of danger for President Masire and his party in view of the rate of urban growth in Botswana.

Since 1971, urbanisation has increased by more than 200 percent. More than 20 percent of the country's population now lives in the cities and towns.

Gaborone is the fastest growing city on the continent and the National Front already has control of the city council.

Unless the Democratic Party can reverse the antipathy of the more sophisticated voters, support for the BNF could grow with the urban swell.

There are various claims behind this public discontent towards the

government: maladministration, neglect of areas such as education and training, abuse of political power, even corruption.

The corruption allegations seldom have flesh. Even opposition party leaders are vague in their charges. Generally, these seem to involve carnal matters like jobs for sex in the civil service.

There is, however, another side to the urbanisation coin. Unlike most Third World situations where urban growth is usually symptomatic of economic, particularly agricultural, collapse, most of Botswana's urban swell has followed directly in the wake of industrial growth. Many people have settled in the cities and towns for their job opportunities.

Botswana's economy is the success story of Africa. At independence in 1966, Botswana was one of the 20 poorest nations in the world. But by the early 80s, the country's economic performance was better than any other non-oil producing state in Africa.

The per capita GDP increased from 689 pula in 1977 to more than 2 000 pula in 1987, despite an acceleration in the population growth rate.

Between the first and second quarters of this year, Botswana's export earnings from beef, diamonds and copper have risen by 32 percent. The actual increase was \$521 million (P1 406.7 million).

In the second quarter, Botswana's foreign reserves climbed by more than \$200 million (R540 million),



President Masire . . . faces opposition in urban areas.

equal to almost 26 months of imports. The pula rose a further 7 percent against the rand.

However critical President Masire's opponents may be of his administration, any government presiding over such a successful economy can only start with a massive advantage in any election.

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B/Day 6/10/89

# Botswana: clouds on the horizon

**BOTSWANA'S** capital of Gaborone is, by all visible indications, the hub of a booming nation. Construction cranes and new real estate developments alter the city's skyline from one month to the next.

From the capital's bustling commercial mall or tidily laid-out government ministry enclave, the Africa of mismanagement and scarcity, under-development and debt seems very far away.

And, indeed, Botswana is quite unlike any other state on the continent. One of Africa's poorest nations at independence in 1966, it can today claim many of the attributes of the developed West.

One of Africa's rare non-racial, multi-party democracies, its politics are marked by open debate, uncorrupt government, and a free-enterprise philosophy. Its open economy, the fastest-growing in Africa, is based on the hard domestic currency, a lack of foreign exchange controls, and a liberal trade and investment regime.

## Diamonds

Above all, Botswana's development since the discovery of large diamond deposits just one year after independence has been characterised by a prudent and conservative management of its considerable financial resources. The government, led from independence by Sir Seretse Khama and since 1980 by Quett Masire, has maintained a healthy budget surplus, and cautious international borrowing has kept its debt service ratio to single digits.

It is diamonds, and the \$2,4bn in foreign exchange reserves that they have generated, that have propelled the former British protectorate of Bechuanaland out of its impoverished past. Almost exclusively a nation of cattle-herders two decades ago, Botswana as one of the world's leading producers of diamonds (last year it mined a record 15.2-million carats) has seen per capita GDP rise to \$1 600.

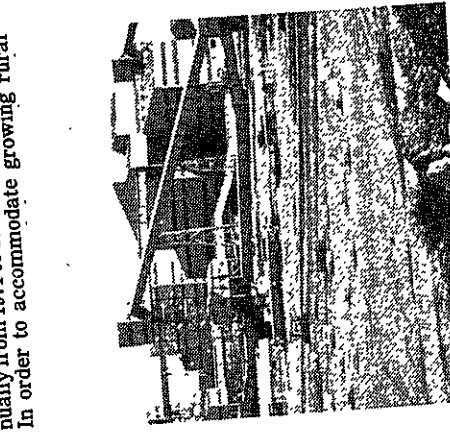
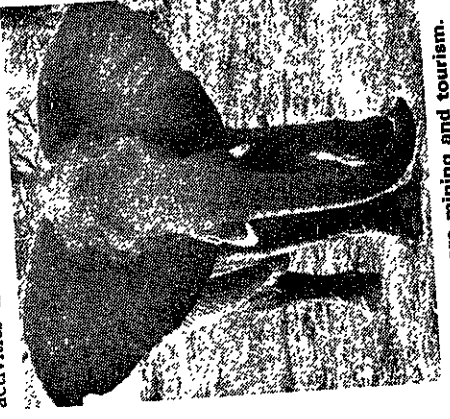
Almost 80% of Botswana's population of 1.2-million has remained rural, and continues to find its livelihood through cattle-

**Botswana, which goes to the polls tomorrow, was one of Africa's poorest nations at independence 23 years ago. Today it has foreign exchange reserves of \$2.4bn.**

**NICHOLAS WOODSWORTH** of the Financial Times looks at the transformation.

However encouraging this new prosperity may be, the structure of Gaborone's local economy reflects serious problems and limitations confronting a wider, national economy. Diamond mining has created large financial resources in government coffers, but there are few viable activities in which these funds can be

herding and agriculture. Government programmes of agricultural aid, health care, and universal primary education have provided a measure of security. It is in Gaborone that Botswana's high GDP growth rate — an average 13.8% annually from 1971 to 1987 — is most evident. In order to accommodate growing rural



Botswana's two main sources of foreign exchange are mining and tourism.

is a much-repeated catchphrase as Botswana prepares to enter the 1990s. With diamond revenues — responsible for about 80% of the country's foreign exchange earnings — projected to level off within the next two years, government is concerned that Botswana's growing development expenditures may soon exceed its income and bring a halt to expansion.

Vice-President and Finance Minister Peter Mmusi admits that increased spending has contributed to inflation, which rose last year to 10.4%; as an anti-inflationary measure government revalued the pula upwards by 5% in June.

Botswana's traditional economic activities offer few opportunities for growth or increases in formal employment. While up to 80% of Botswana's population derive a subsistence living from owning or herding cattle, the commercial beef sector, contributing 3% to GDP, is concentrated in the hands of large-scale ranchers. The industry is limited by its increasingly detrimental impact on a fragile environment.

## Manufacturing

In spite of numerous government aid programmes, agriculture offers little scope for growth. Non-diamond mining and tourism, two of the sectors targeted for expansion, both have limitations.

Export-oriented manufacturing has been singled out by government as the most hopeful area of growth. The greatest obstacle is in competing with SA.

Botswana's difficulties have fuelled political opposition to the ruling Botswana Democratic Party. Domestic issues have allowed the leading opposition party, the socialist-oriented Botswana National Front (BNF), to take municipal control of urban areas.

Recent divisions in the party have reduced its cohesion, and it is thought unlikely that the BNF will make advances in tomorrow's election — but future difficulties may change this situation completely.

made to work for long-term growth.

With diamond mining employing only 5 000 workers and other formal sector activities occupying only 150 000 people, employment continues to be the country's leading domestic problem. With unemployment at 25% in the formal job sector and 27 000 school-leavers annually competing for fewer than 20 000 jobs created each year, unmet aspirations could, in the future, create political instability.

"Searching for new engines of growth"

drift to the cities and the expansion of a civil service that comprises nearly a third of the formal employment sector, government has undertaken an extensive programme for the construction of public buildings and private houses.

The resulting building and property boom, fuelled also by relatively elevated civil service salaries, has led to the rapid growth of the construction, service, real estate and financial sectors.

## BDP seeks sixth term

THE ruling Botswana Democratic Party, seeking a sixth consecutive term since sweeping to power in pre-independence elections in 1965, won the first two parliamentary seats to be announced in Saturday's elections.

The party led by President Quett Masire is tipped to beat off a challenge by the Left-leaning Botswana National Front and win a majority in the 34-seat single-chamber Parliament.

Final results were due by midnight.

No violence was reported during the elections, which were also to choose a president and dozens of local councillors. But many voters protested when they turned up late at voting stations and were turned away.

Seven political parties contested the poll and two opposition leaders challenged Masire (64) for the presidency-Sapa.

Sowetan 9/10/89

no haven't listened to each  
ends the thirst for power and  
love and understanding."

# Election <sup>STAR</sup> victory (10) for BDP

(2) The Star's Africa  
News Service

GABORONE — The Botswana Democratic Party (BDP) has won an overwhelming victory in the country's general election held at the weekend.

With five seats outstanding, the BDP have won 29 seats so far.

Local analysts expect the opposition Botswana National Front to win two or three of the remaining five seats.

The Minister of Mines and Mineral Resources, Mr Archie Mogwe, won the Kanye seat previously held by the opposition Botswana National Front.

Two women and one white have been elected to the National Assembly.



# UN ivory ban — Botswana may withdraw

LAUSANNE — A conference seeking to ban trade in ivory fell into disarray yesterday when Botswana said it was considering withdrawing from a UN treaty protecting endangered wildlife.

Delegates said Botswana's delegation had been directed by its government to look at the issue of how to withdraw from Cites (the Convention on International Trade in Endangered Species).

Botswana and four other African states said if the biennial conference of 103 Cites member-nations voted to ban trade in ivory they would raise reservations that would effectively free them to continue to

Business Day (12) 18/10/89  
trade.

Delegates were shocked that Botswana might renounce the treaty, which protects species ranging from leopards to wild orchids.

The conference had been due to take what was expected to be a perfunctory vote yesterday to approve an overwhelming decision on Monday by a Cites committee to prohibit ivory trade.

The vote was postponed for at least a couple of hours so that Botswana could be talked out of withdrawing.

Botswana, SA and Zimbabwe contend

that because their herds are well-managed they should not be subjected to an ivory ban. They use ivory revenues to help fight poaching.

World Wide Fund for Nature (WWF) delegate Simon Lyster said: "It's a great day for the elephant."

"I wouldn't be surprised if we saw a crash in the price of ivory," he said.

Conservationists said even if some Southern African nations who say they can manage their elephant herds continued to trade, the market for ivory had now greatly shrunk. — Sapa-Reuter.

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# New Botswana defence force chief meets editors

The Star's Africa News Service

GABORONE — The new commander of the Botswana Defence Force, Major-General Ian Khama, has said that bad relations between the army and the Botswana media have been caused by misunderstandings.

Speaking at a meeting with Botswana editors, General Khama said that at times the BDF had been unjustifiably attacked in the media and there had even been articles which showed the BDF to be an irresponsible organisation.

The press had also made demands which if met would have compromised state security.

He said it was not his intention to stop legitimate criticism

of the army but he had to consider security.

"We cannot make the BDF a reference book for everyone to come and inspect," he said.

A classic example of this misunderstanding had been the recent court martial of a soldier who failed to order his patrol to engage a raiding South African commando unit last year.

The BDF had to order journalists to leave the court hearing because the evidence that was led could have been to the advantage of the enemy if published in a newspaper.

He said he would immediately make arrangements to ensure a better liaison between the media and the BDF.

## Air Botswana profitable — after 20 years

<sup>BDC</sup>  
AIR Botswana has spent \$50m for three aircraft in the past 12 months and, despite this, has shown a net profit for the first six months of this year.

This was the first time in its 20-year history the airline had been profitable, Air Botswana CEO Brian Pocock said.

A new management structure and a new approach to tariff policies, scheduling, connections and services — implemented since April this year — had been the beginning of the airline's turnaround, he said yesterday.

"We are aiming to produce quality air transport in this part of Africa. We have already seen a dramatic increase in our passenger loads."

The airline had increased its passenger traffic by more than 50% (from

12) 15/11/89  
MANDY JEAN WOODS  
50 000 to 85 000) so far this year and expected to double its traffic by the end of next year, he said.

In the past year the airline had bought two new ATR-42 High Tech Turbo Prop aircraft and one BAe 146-100 jet. The jet came into service last Sunday.

The airline serves 16 destinations. New destinations include Windhoek, Luanda, Maputo, Maseru, Gaborone, Harare, Nairobi and a direct service from Johannesburg to Maun.

"We expect a temporary decline in profitability until the costs of the new acquisitions have been absorbed, but passenger traffic is buoyant," he said.

# Inco, Molopo in \$3,75m Botswana platinum deal

ROBERT GENTLE

LONDON — Inco of Canada and Molopo Australia yesterday announced the signing of a joint venture agreement worth up to \$3,75m to explore the latter's platinum concessions in Botswana.

Toronto-based Inco, the Western world's largest nickel producer, is already involved in the production of platinum group metals (PGMs) which it obtains as a by-product of its nickel operations.

Molopo, listed on the Australian Stock Exchange, was incorporated in 1986 by Australian company Paranga Mining and the well-known SA company Southern Prospecting.

The agreement reached with Inco covers the Molopo Farms Complex in southern Botswana, which is geologically similar to the nearby Bushveld Complex, the world's largest source of platinum.

Under the terms of the agreement, Inco will in the first year advance \$1m for up to 6 900m of diamond drilling to test a number of previously identified platinum targets.

Depending on the results, Inco has the right to spend a further \$1,25m for exploration in the second year.

It will earn a 50% interest in the project on completion of the second phase. Afterwards, it will be entitled to gain management control of the project from Molopo and, by spending a further \$1,5m, increase its stake to 60%.

A Molopo spokesman here said the project was no doubt attractive if only because of its proximity to the Bushveld Complex, but said it was far too early to put a figure on it.

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# SA pilot and four tourists die in air crash

(12) Star 18/11/89

GABORONE — A South African pilot, Mr David Schonfeld, and four passengers, apparently West German tourists, died when their aircraft crashed shortly after take-off from Botswana's Kasane Airport yesterday afternoon.

The reason for the crash, one of the worst in Botswana's history, is not yet known but early reports said the aircraft had apparently caught fire shortly after take-off.

Local residents rushed to the crash scene but were unable to rescue the five people inside the aircraft, three men and two women, because of the intensity of the fire.

The aircraft was apparently due to fly from Kasane to Victoria Falls in Zimbabwe. It is believed the tourists were visiting Khwai before moving on to Kasane.

## AFRICA NEW SERVICE

The West German tourists were apparently participating in a tour organised by the Swiss-based company Botswana Safaris Unlimited.

The aircraft crashed into a teak forest about

4 km after take-off.

The West German embassy in Gaborone said the identities of the four West Germans would be released once their next-of-kin had been informed.

The bodies of the five were flown to Gaborone last night for positive identification.

# Botswana: We have SA hit man

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**GABORONE.** — A South African, whom Botswana security officers claim is a member of Pretoria's alleged police hit squad, is to appear in the Gaborone High Court on a number of charges, including one of attempted murder, the Botswana Press Agency reports.

The date of Mr Nalile Charles Mabu's appearance still has to be set.

The deputy head of Botswana's CID, Mr Timon Katlholo, said yesterday Mr Mabu was arrested in Gaborone last July after a shooting incident at a home in Broadhurst during the last week of June. A Botswana citizen was injured at the time.

Mr Katlholo disclosed Mr Mabu's arrest in an interview on the activities of an alleged SA hit squad in Botswana.

Mr Katlholo said Mr Mabu left Botswana for SA after the shooting incident. He came back to Botswana on July 1 — allegedly to continue his activities as an "SA agent".

He was arrested a day after his arrival.

Mr Katlholo said Mr Mabu was once arrested and convicted for unlawful possession of arms and sentenced to five years in prison. He was then deported from Botswana.

Mr Katlholo also mentioned the case of Theodore Hermanson and Johannes Basson as instances of alleged SA "hit squads" operating in Botswana.

It was said during their trial the two SA "commandos" had been sent to Botswana by their superiors in Pretoria to either kill or capture a SA national.

An SAP spokesman, approached for comment on the Botswana allegations, said he had no knowledge of the incident.

He added if the Botswana authorities had any information they should forward it to the SAP. The authorities would then be able to act on it and pass it on to the McNally Commission of inquiry investigating allegations of a police death squad. — Sapa.

● Evidence of death squad link —  
Page 3

# Alleged 'hit squad' member held in Botswana 12

GABORONE — An SA national, who Botswana security officers claim is a member of Pretoria's alleged police hit squad, is to appear in the Gaborone High Court on a number of charges, including one of attempted murder, the Botswana Press Agency reports.

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**GABORONE.** — A South African, whom Botswana security officers claim is a member of Pretoria's alleged police hit squad, is to appear in the Gaborone High Court on a number of charges, including one of attempted murder, the Botswana Press Agency reports.

The date of Mr Natile Charles Mabu's appearance still has to be set.

The deputy head of Botswana's CID, Mr Timon Katlholo, said yesterday Mr Mabu was arrested in Gaborone last July after a shooting incident at a home in Broadhurst during the last week of June. A Botswana citizen was injured at the time.

Mr Katlholo disclosed Mr Mabu's arrest in an interview on the activities of an alleged SA hit squad in Botswana.

Mr Katlholo said Mr Mabu left Botswana for SA after the shooting incident. He came back to Botswana on July 1 — allegedly to continue his activities as an "SA agent".

He was arrested a day after his arrival.

Mr Katlholo said Mr Mabu was once arrested and convicted for unlawful possession of arms and sentenced to five years in prison. He was then deported from Botswana.

Mr Katlholo also mentioned the case of Theodore Hermanson and Johannes Basson as instances of alleged SA "hit squads" operating in Botswana.

It was said during their trial the two SA "commandos" had been sent to Botswana by their superiors in Pretoria to either kill or capture a SA national.

An SAP spokesman, approached for comment on the Botswana allegations, said he had no knowledge of the incident.

He added if the Botswana authorities had any information they should forward it to the SAP. The authorities would then be able to act on it and pass it on to the McNally Commission of inquiry investigating allegations of a police death squad. — Sapa.

● Evidence of death squad link —  
Page 3



Star 1/12/89

## Botswana ahead 12

The Star's Africa News Service

**GABORONE** — Botswana now has more foreign reserves than South Africa. The Bank of Botswana's latest *Economic Review* shows that the country's international reserves stood at Pula 5,17 billion (R6,927 billion) in September.

The SA Reserve Bank's holding in foreign reserves and gold was R5,37 billion in the same month.

Botswana's export earnings come from three main products — diamonds, copper-nickel and beef.

In the first 9 months of this year, the pula appreciated by 2,7 percent against the dollar, while the inflation rate dropped from 11,5 percent to 11,2 percent.

# Tswana dream may come true

12 8/12/89

Bophuthatswana has started its 12th anniversary celebrations with the hope that a dream may be on the way to reality — the unification of the Tswana nation. **NORMAN CHANDLER** reports.

The long cherished hope that the Tswana nation will eventually be reunited has become the talking point of Bophuthatswana's 12th anniversary celebrations, which reached a high point at the Sun City resort yesterday.

That a move to form close links with Botswana — where more than a million Batswana live — is more than just a dream became evident when President Lucas Mangope, who has led his country since "we gained our freedom" from South Africa, referred to the issue on two occasions this week.

He told hundreds of his countrymen at Tlhabane, near Rustenburg, that it was "through a stroke of the pen" by pith-helmeted British Colonial officials in the last century that the Tswana people were divided into British Bechuanaland (in today's South Africa and now largely making up Bophuthatswana) and the Bechuanaland Protectorate (now Botswana).

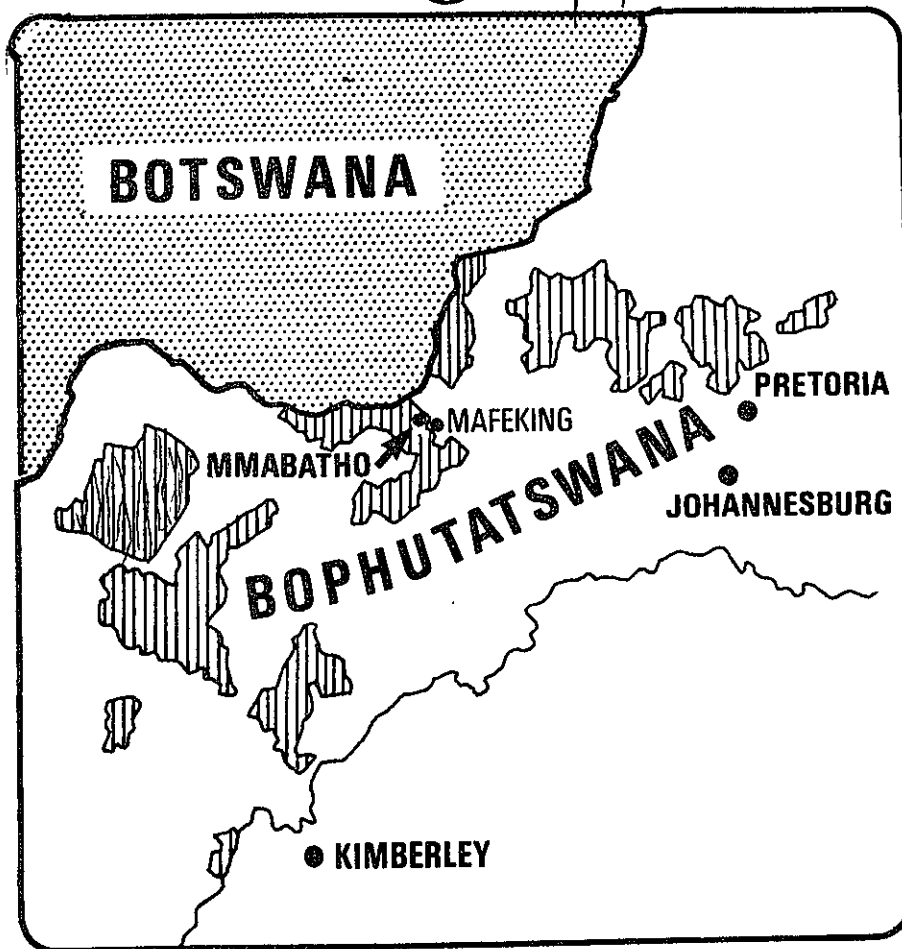
Bophuthatswana believes that the existing Botswana border is "on the wrong river".

The border on the Molopo River should be at the Orange River — which, had that been the case all those years ago, would have meant that the Kimberley diamond fields would have been in Botswana.

"We understand that the British now realise their mistake . . . but feel it is too late to change it," he said.

Asked at a Press conference at Sun City whether his remarks about the border issue meant Bophuthatswana was looking for social, cultural and economic links with Botswana, President Mangope said: "We have not asked them, as yet, but, yes, we would like to look at the possibility of a federation with Botswana as a way to unite our people".

It was the first time that the President had spelt out exactly what thousands of Tswanas have been saying for years: that the two countries needed to unify.



There have always been close tribal and personal relationships between the people of Bophuthatswana and Botswana. The President himself is related through marriage to the President of Botswana, Dr Quett Masire.

Mineral-rich Bophuthatswana has spent the past 12 years looking for international recognition and if there is reunification, then it will automatically gain that long sought international acceptance.

That the largely semi-desert and scrubland country of Bophuthatswana has developed beyond anyone's wildest dreams was

also this week spelt out in some detail by the President.

He announced new towns and cities were being planned as well as a series of new tourist hotels — including a cluster at Sun City and one a kilometre from the centre of Rustenburg — and developments such as hospitals, roads and schools.

The country already has an ultra-modern capital city at Mmabatho while the upgrading of Phokeng has included the building of a Bafokeng civic centre and a massive shopping centre which would not be out of place in a South African city.

## APV deal

APV South Africa has won a R2-million order to make heat exchangers for the Soda Ash Botswana plant at Sua Pan. (12)

The 15 heat exchangers, including the largest built in SA, will have 45% local content. They are due to be installed by May.

The stainless-steel and titanium exchangers will weigh more than 12 tons each and have a liquid flow rate of up to 780 000kg an hour.

BOTSWANA - GENERAL

1990

JANUARY - DEC

# Tapping Botswana's soda ash

12

FIM 2714/90

In a climate of sanctions — much of it US inspired — it is perhaps poetic justice that the 300 000 t of soda ash, produced annually by Soda Ash Botswana, will virtually displace American exports to southern Africa.

Construction is already at the halfway mark and the new plant — a joint venture between SA businesses and the Botswana government — expects to produce its first bag of soda ash next January. It will take another two years to reach full production.

So peeved were the US suppliers at being squeezed out of the southern African market that they cut the credit terms of their local import agents Chemserve from 120 days to 30 when they heard the Botswana project was going ahead.

The relationship subsequently was restored; the US suppliers are consoled by the news that there will still be a limited export opportunity to SA. The Botswana venture has underestimated regional demand by some 50 000 t a year. So, until the plant is at full production and bottlenecks are removed to increase capacity, some imports will be required.

The plant is a co-operative venture among AECI, Anglo American, De Beers and the Botswana government. AECI holds 26,5% of the equity, Anglo and De Beers 12,75% each and the Botswana government the remaining 48%. That gives the familial corporate shareholders control.

The total cost of the project and related infrastructure is around R1,3bn, of which the corporate shareholders are contributing R920m and their government partners around R350m. The plant is located in one of the richest soda ash resources in the world, in the Sua Pan in the Magkadikgadi depression, about 180 km from Francistown.

Basil Beeming, MD of the Botswana-registered company, estimates that once the plant is in full production in 1994, annual turnover will be about R380m. He says

shareholders hope to see a real return of around 12% on their equity.

Given the scale of the soda ash import replacement project, local users are understandably nervous about maintaining a continuous supply. Beeming says Chemserve, which handles 60% of current soda ash imports, has been appointed as the company's marketers in SA. Soda Ash Botswana will take care of marketing in Zimbabwe, Zam-

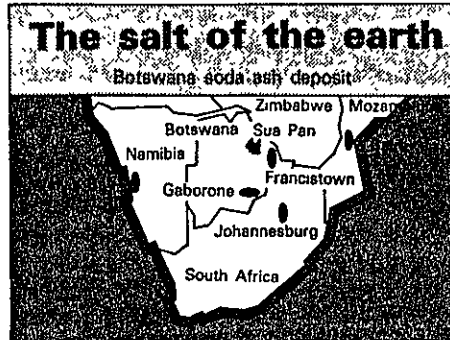
soda ash plants on stream shortly — each with a capacity of 600 000 t. So oversupply is expected to force world prices downwards, even though there is a tendency for users to substitute soda ash for more toxic chlorine and caustic soda in certain applications.

But aggrieved or not, consumers will have little option but to go along with Soda Ash Botswana's pricing plans. It's got the market pretty well sewn up. Both Chemserve and alternative importer ICL are in the AECI fold, so they're unlikely to upset any marketing arrangements.

US interests are not the only ones likely to be prejudiced by the new plant. Around 650 000 t of salt, both coarse industrial and fine table salt, will be produced annually as a by-product of soda ash production. Most salt in SA is supplied from the salt mines of the northern Cape and Walvis Bay. As the rail distance to the major markets of the PWV is roughly the same as from Botswana, pricing within SA is likely to be competitive. But in markets north of the Limpopo, which are closer to Botswana, it's going to be war. "There is no question that we are going to hurt the table salt industry," Beeming says.

While there are no immediate plans for the company to enter the export market, overseas sales do remain an option. Beeming says much depends on the prices prevailing when the plant has surplus capacity, as well as transport costs to the coast. Beira in Mozambique looks like the most feasible point of export and the Pacific Rim countries the most likely export clients.

Meanwhile, however, the priority is to satisfy the demands of the local market. To assuage customers' fears that they may run short of supply if the company is plagued by start-up problems, it intends building terminals with a storage capacity of 20 000 t apiece in Durban and the Transvaal. In addition, eventually some 200 000 t of soda ash will go into storage at the plant itself.



bia and Zaire.

The company is pitching prices at export parity levels and this pricing policy is not going to please consumers greatly. They were no doubt hoping, perhaps a little optimistically, that local manufacture might mean lower prices. At the prevailing US prices, there is a margin for the company to discount its soda ash. The marginal cost of production at the Botswana plant is believed to be around \$60 a ton. But Beeming argues that it needs all the revenue it can get. As it is, the plant is not likely to be profitable until at least 1993. And capital financing charges — some R600m has been borrowed on the capital markets — are considerable.

Moreover, he claims that international soda ash prices probably have peaked and should begin to retreat soon. One reason is that China will be bringing three synthetic



**BASIL BEEMING** ... supply assured at stable prices

# R1bn soda ash plant to slash import bill

By Don Robertson

SPENDING of R1-million a day will take the billion-rand Sua Pan soda-ash project to production in December.

The first soda ash from the plant in north-east Botswana will go on sale next April after the 175km rail link with Francistown is completed.

In full production, Soda Ash Botswana (SAB) will save the Customs Union area about R150-million a year on imports, mainly from the US, and generate another R60-million annually from the sale of salt and potash.

## Potential

SAB has the potential to expand operations after full production has been reached.

Managing director Basil Beeming says, however, that no decision has been taken to lift production above the planned rate.

World consumption of soda ash is about 29-million tons a year, but is expected to rise to 40-million tons by the end of the century.

"Rail links with Zambia and Zimbabwe may be used to increase exports, but we would then have to lift production to about a million tons," says Mr Beeming.

SAB is the largest project yet undertaken by SA interests outside the country but within the Customs Union.

It is a joint venture between AECL, which has a 26,5% interest and management control, Anglo American and De Beers with 25,5% and the Botswana Government with 48%.

Soda-ash production is expected to reach 300 000 tons in about two years. At present, soda ash is imported from America at a cost of between R400 and R425 a ton.

Mr Beeming concedes that

when the plant was mooted, project planners underestimated the extent of SA demand which had been fairly constant at about 260 000 tons a year. As a result, 50 000 tons will probably still have to be imported.

Soda ash is used in the manufacture of glass and soaring beer sales have led to rising demand. Soda ash is also used in the metallurgical and pulp industries and in detergents.

The soda ash will be sold to SA industry at prices to be based on those of America. About 15 000 tons will be sold to Zimbabwe and Zambia. Both countries have expressed an interest in taking a financial interest in the project.

The major benefit for SA is an assured supply and price stability.

## Fears

As a virtual by-product, about 650 000 tons of salt for industrial and commercial use will be recovered. Sales of salt will be about 400 000 tons a year.

The company has discovered it can recover potash from salt waste. About 80 000 tons will be produced, earning about R12-million.

SAB has sounded out potential customers in SA, Zambia and Zimbabwe and has been assured that full production will be taken up.

To counter fears by some customers that a virtual monopoly could hold them to ransom, SAB is to build a 40 000-ton reserve of soda ash at the plant. It will also hold a 20 000-ton reserve on the Reef and in Durban. These stocks should be sufficient to

● To Page 2

P.T.O.

Southern (both 22,1%), Sanlam and Old Mutual (both

we expect to be able to exercise at favourable rates."

● From Page 1

SITING 22/4/90  
meet demand should imports be necessary because of plant failure.

The project faced a threat before the deal was signed in November 1988. American-based Natural Soda Ash Corporation (Ansac), the world's largest supplier, made veiled threats that it would withhold supplies or dump soda ash on the SA market if the project went ahead.

It claimed that prices for soda ash from SAB would be about R700 a ton compared with the ruling price then of about R370 and that the pro-

## Soda ash

ject would be unprofitable. It also threatened to tie SA customers to 10-year supply contracts.

Botswana Vice-President and Minister of Mines Peter Mnusi went to America and resolved the problem. The SA Government said it would put a 10% ad valorem duty on imports. This has not been done, but is being considered.

About R540-million of the total project cost of R1,2-billion has been spent. It has been financed by loans and equity in a two-to-one ratio.

The initial cost was estimated at R920-million, but the rail link with Francistown, access roads and a village, with 600 houses will cost the Botswana Government an additional R355-million.

The salt brine is pumped from 40 wells through a 95km pipeline to solar evaporation ponds which cover 22km<sup>2</sup>. After crystallisation, the residue is pumped to the plant where the soda ash is recovered. Salt is recovered mechanically from the ponds.

The construction workforce is expected to peak at 2 200 by June. Because of the high standard of welding required on the pipeline, it was necessary to import welders from Europe. Many of them earn R10 000 a month.



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# Botswana sales of ivory opposed

The Star's Africa  
News Service

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GABORONE — Major-General Ian Khama, commander of the Botswana Defence Force and a member of the Kalahari Conservation Society, has opposed his government's policy of permitting controlled ivory selling. He wants a total ban on sales.

"I do not favour the stand taken by southern African countries rejecting the move by East African states to ban the sale of ivory," he told the press in Gaborone.

He said the Botswana government's

policy of approving controlled selling of ivory encouraged poaching, and this had reached alarming proportions in the Linyanti area of Botswana.

Botswana last year agreed to join other countries of the Southern African Development Co-ordination Conference in establishing a regional ivory marketing system. (SA 3/1/90)

South Africa has also rejected the move by Kenya and other countries to ban ivory sales in an effort to stop the killing of elephants, considered to face extinction if poaching continues.



## BOTSWANA TO CONTROL AIRSPACE

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**GABORONE**— Botswana may be in control of its own airspace by April next year, says the manager of Plessey airports in Botswana, Mike Barnard.

Barnard said the Botswana government had awarded a two-year contract to Plessey Radar company of the UK to set up a flight information region working hand in hand with the Civil Aviation Department. *h/om 24/11/90*

The contract also included the training of staff to man the air traffic countrywide.

"The British government, which has been supportive of the project, is making a grant of 50% of the content value contract," Barnard said.

Botswana's air space is presently controlled by the SA government.

With the establishment of a flight information region, Botswana will be able to control all aircraft flying over the country.

Negotiations are said to be continuing with the SA government on the matter.

According to Barnard, Plessey Radar would make some changes to air routes. He said this would be done in consultation with neighbouring countries and international organisations.

The company would provide navigational aides and further expand the existing communications network.

He said this would result in the setting up of radio stations and use of telephone lines to speed up information collection and relay.

Computer terminals would be set up in Selebi-Phikwe, Francistown, Kasane, Maun and Ghanzi to speed up the information flow throughout the country.

Barnard said the company would remain working in the country for a third year on a maintenance contract to ensure Botswana was able to run its air space efficiently. — ANO.

# Nafcoc on show in Botswana

Some Jan 25/1/90

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By JOSHUA RABOROKO

The National African Federated Chambers of Commerce will take part in the second Bitex Industrial Trade Show in Botswana from April 25 to 28.

The organisation has called on all competent black industrialists and manufacturers to take part. The Nafcoc delegation will be led by a senior official from the organisation.

Nafcoc's public affairs manager, Mr Gabriel Mokgoko, said 14 spaces had been allocated for black companies. This is the first time black entrepreneurs in the country will take part in a market in an independent African country.

"It is the first foot forward. The potential of our manufacturers will never be known until their innovation is exposed," Mokgoko said.

Botswana, a member of the South African Customs Union, will give participants an opportunity to exhibit their wares and interact with buyers, visitors and businessmen from other southern Africa markets.

"Those of our exhibitors who have already subscribed are eager to grab the opportunity and show the best that comes from black hands," he said.

The promotion of black industrialists in neighbouring countries is one of Nafcoc's major programmes for 1990. In 1988 visits were paid by Nafcoc executives to various African countries. Contact was made with their chambers of commerce to pave the way for future business relationships.

According to Nafcoc, inquiries from blacks into the import/export business are overwhelming, with the result that workshops will be conducted throughout the country



**Gabriel Mokgoko**

from March 1990 to assist interested persons understand the challenges and opportunities of this virtually unexplored business.

Those interested in the Bitex trade show should phone Khomotso Baloyi at (01214) 3204/5.

# Celebratory gig for Mandela this year

LONDON - A second concert for Nelson Mandela - this time to celebrate his release - is to be staged by top US and British pop stars later this year, according to reports here. *Sowetan 2/12/90*

Headliners who have already agreed to appear include Stevie Wonder, Bruce Springsteen, Peter Gabriel and Simple

Minds.

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The organisers say they hope Mandela will be able to attend the all-day celebration - unlike their last concert, celebrating his 70th birthday and demanding his freedom.

Full details will be announced later, a spokesman said. "There are still a few loose ends to tie up."

# Committee to look at Limpopo river system (12)

PRETORIA — The joint SA-Botswana permanent technical committee on water is to study the Limpopo river system, Water Affairs director-general Klasie Claasens said here yesterday.

The study will evaluate the present use and availability of water in the system above the confluence of the

GERALD REILLY

Limpopo and Shashe rivers, and the development potential of the area.

Both governments, Claasens said, had recognised the international status of the Limpopo River and its tributaries.

1/10 8/2/90

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## Botswana heading for another surplus

The Star's Africa  
News Service

GABORONE — For the third successive year, Botswana expects to have a considerable budget surplus.

The final accounts for 1988/89 show revenue at 2 556 million pula (R3 323 million), expenditure at 1 787 million pula (R2 323 million), resulting in an overall surplus of 769 million pula (R999 million).

This is 50 percent above the previous year's surplus and the highest ever recorded in the country.

Revenue in the 1990/91 budget is expected to be 3 318 million pula (R4 313 million) with a surplus of 419 million pula (R544 million).

However, the Minister of Finance and Development Planning, Mr Festus Mogae, warns that non-mineral revenues will for the first time in 10 years be insufficient to finance recurrent expenditures.

He says Botswana will run a "non-mineral deficit" and for 1989/90 will have to draw on mineral revenues to finance 20 percent of recurrent expenditure. The same is expected to apply in 1990/91.

One fifth of the recurrent budget for 1990/91, 265 million pula (R344 million), is allocated to the Ministry of Education.

The State President's office gets 178 million pula (R231 million), of which the Botswana Defence Force has been allotted 106 million pula (R137 million).

The development budget amounts to 1 286 million pula (R1 671 million), the largest allocation being given to the Ministry of

Works and Transport for the road network.

The State President's vote is 189 million pula (R246 million), of which 93 percent goes to the defence force and police "in recognition of the continued security situation".

The civil service has been given an overall salary increase of 11 percent — equal to the inflation rate. Income tax has been reduced at the top end from 50 percent to 40 percent. People earning less than 9 000 pula (R11 700) a year will pay no tax.

### INCOME TAX

The effect of this will be a reduction of 20 million pula (R26 million) in income tax but the 10 percent ad valorem tax rate has been extended to a wider range of "end user durable products and cosmetics".

Botswana's GDP per capita is now 4 500 pula (R5 850) a year.

The country's economy also continues to boom, according to the latest Bank of Botswana review of economic developments.

The review says that total export earnings of Botswana have increased by 32 percent in US dollar terms during the first 10 months of 1989 compared with the same period in 1988. It says the increase is reflected mainly in diamond exports which increased by 38 percent.

Foreign exchange reserves at the end of October stood at 5,259 billion pula (R7,304 billion).

The Pula itself firmed against all currencies over the 12 months to October. It appreciated 7,8 percent against the rand.

## Botswana has a third surplus

GABORONE For the third successive year, Botswana expects to have a considerable budget surplus. *Sowetan 2/2/90*

The final accounts for 1988/89 show revenue at 2,556 million pula (R3,323-m), expenditure at 1,787-m-pula (R2,323-m), resulting on an overall surplus of 769-m-pula (R999-m). *(12)*

This is 50 percent above the previous year's surplus and the highest ever recorded in the country.

3/Day 22/2/90

12

# Botswana overhauls taxes

GABORONE — Botswana is to introduce a two-tier system of taxing companies, scrap a tax on branch profits and charge sales tax on more goods as part of reforms to broaden the tax base and strengthen fiscal structures.

Finance Minister Festus Mogae told Parliament when he unveiled the 1990/91 budget on Monday that companies would be taxed while dividends would be distributed to shareholders as net dividends exempt from further taxation.

He did not say when the system would be introduced. Branch profits will no longer be required because dividends will not be taxable in the hands of the shareholders, he added.

The minister said a 10% ad valorem tax imposed on non-essential domestic electrical appliances would be ex-

tended immediately. Food, textiles, medicines and raw materials, plant and machinery would be exempted.

He said civil service salaries would be raised 11% on April 1.

Residents earning less than US \$488 would be exempted from paying income tax from the tax year beginning July. It was not clear if the income is monthly or annual.

Mogae reduced the top tax rate from 50% to 40%.

## Recurrent

To encourage savings the minister said the first \$542 accrued to residents from any financial institution in Botswana or the Rand Monetary Area (RMA) would be exempted from tax.

Mogae forecast a slowdown in economic growth this year and warned against over-reliance on diamond exports to fuel expansion.

He expected the economy to expand 8.7% in real terms this year, down from 13.1% in 1989.

He said nearly 20% of recurrent expenditure of \$705m in 1990/91 would be met from mineral revenues.

The country is now the West's third largest producer of diamonds.

Earnings from exports of around 13-million carats of gems rose to more than \$1.4bn in 1989, from \$1.08bn the previous year.

Preliminary estimates of the balance of payments showed a 33% increase to more than \$2bn in 1989.

Import payments were expected to have risen 20% on 1988 to \$1.1bn in 1989, generating a trade balance surplus of nearly \$813m, the minister said.

After accounting for net outflows for services and transfers, the overall surplus on the balance of payments was expected to have reached \$596m in 1989, he added. — Reuter

Chemical warfare

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# Chaos at Botswana border

CHAOS at Botswana's Tlokweng border post continued yesterday with hauliers reporting up to 50 trucks being held up at the border at one time and delays of up to six hours for trucks to clear customs.

Hauliers and the Clearing and Forwarding Agents' Association held an urgent meeting on Saturday to discuss the matter and were to approach government with certain proposals.

Hauliers servicing Botswana said yesterday they were being forced to become customs collections agents since government introduced a 10% sales tax on a wide variety of goods, effective from Tuesday.

Botswana requires that the 10% sales tax on goods being transported into the country be paid in pula at the entry point, putting responsibility for payment on hauliers rather than on owners of the goods.

One haulier, who declined to be identified, said in the past three days he had paid more than R200 000 in sales tax.

MANDY JEAN WOODS

"It is catastrophic. But the problems started before the tax was introduced.

"Business in Botswana is booming — our business increased by 50% last year and we move about R1m in goods every day — and the border posts are just not able to handle the volume of business, never mind collecting sales tax," he said.

Another haulier said: "This could affect trade if this problem is not solved".

And another one said only about five of the largest wholesalers delivering goods to Botswana had accounts with the customs department. *By Day 27/2/90*

"In order to avoid paying sales tax at the border we have to have an account with the customs department. But last week when we tried to open such an account they told us they could not do this because they were not geared to handle it," he said.



# Tax stops SA trucks on Botswana borders

Own Correspondent

*CAPE TIMES 27/2/190*

JOHANNESBURG. — Trucks carrying millions of rands' worth of SA goods were held up for hours, and in some cases days, at Botswana border posts following the imposition on Tuesday of a 10% sales tax, payable in Pula at border posts, on almost all goods except foodstuffs.

According to one haulier, who declined to be identified, Botswana customs officials were demanding that truck drivers pay the equivalent of 10% of the value of goods on their trucks.

Botswana assistant finance minister Mr David Mangang said last night that the government would look into the situation immediately.

# New tax creates hold-ups at border

The Star's Africa News Service  
GABORONE — The Botswana border posts were thrown into confusion during the weekend following the introduction of a new 10 percent ad valorem tax.

Customs officials were demanding payment in cash of the new tax, causing widespread delays at the border posts.

The new tax was announced by Finance Minister Mr Festus Mogae and is applicable to durable products and cosmetics.

Food, textiles, medicines, raw materials and machinery involved in production will not be affected.

The introduction of the tax caused long delays at border posts, as customs officials demanded payment of the new tax from hauliers carrying goods from South Africa to Botswana.

Usually tax duties are settled once a month with Botswana Customs.

It is understood that finance ministry officials will try to solve the confusion today.

The new tax was introduced at the same time the government announced a reduction of personal income tax.

No income tax is payable on salaries of less than R12 300 a year and the top tax percentage rate is reduced from 50 to 40 percent.

The government said this would mean a loss of R27 million in income tax revenue, which would partially be recouped by the widening of the new ad valorem tax, first introduced on televisions and video sets in March.

5/26/2/90 (12)

# Hauliers to petition Botswana govt about border chaos

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A PETITION from 15 hauliers servicing Botswana and from the Botswana Clearing and Forwarding Agents' Association (BCFAA) will be handed to the Botswana finance department today to call for urgent action on the chaos at the Tlokweng border post.

There have been long delays at the border post since last week when a new sales tax came into effect.

Botswana requires 10% sales tax on goods being transported into the country be paid in pula at the entry

MANDY JEAN WOODS

point. This has resulted in delays of up to six hours at the border post.

BCFAA vice-chairman John Perry said a petition from hauliers and the BCFAA was to be handed to the finance department today.

"The delays at the Tlokweng border post have got so bad that most road transport contractors are finding it totally uneconomical to service this route," Perry said in the petition.

He blamed the delays on lack of qualified staff and the manner in which sales tax was collected.

In separate letters, hauliers spelt out their grievances and called for urgent action. One haulier said the delays had far-reaching consequences on the operating efficiency of its companies.

Another haulier said it was ironic that it sometimes took less time to travel from Johannesburg to Tlokweng than to cross the border.

# Botswana will swing to Miriam, Kool and Hugh

MORRIS Roda Promotions have scooped three international acts - Kool And The Gang, Miriam Makeba and Hugh Masekela - to perform in Botswana on May 5.

Makeba and Kool And The Gang, presently on a tour of the United States and Europe, have, according to promoter Morris Roda, cancelled part of their engagements to perform in Botswana.

South African-born Masekela and Makeba will be back home in Southern Africa. Although Masekela has previously performed in Botswana, Makeba will be making her first appearance in that country.

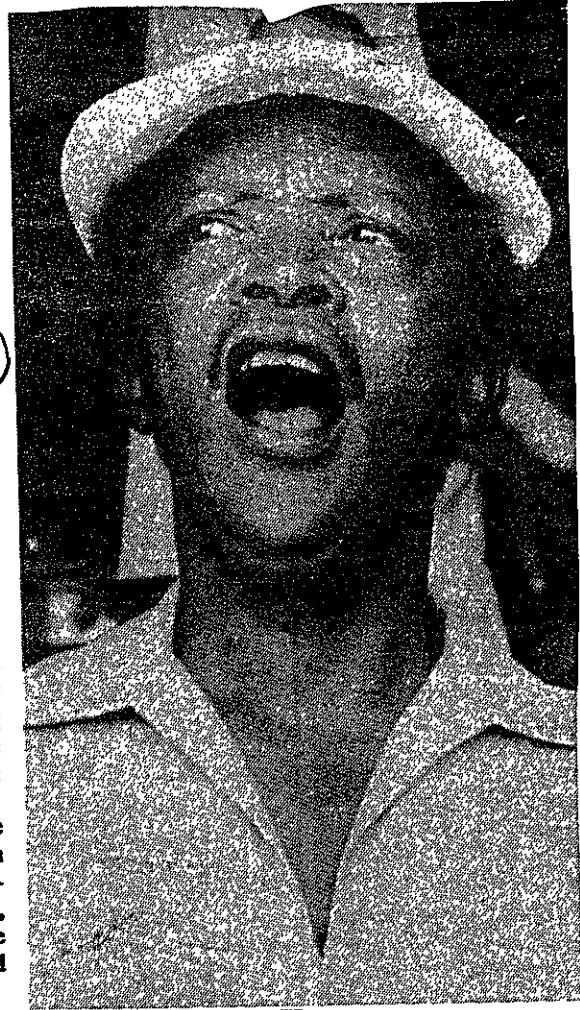
Kool and the Gang are one of the United States'

By ELLIOT MAKHAYA

foremost pop and rhythm and blues acts. They have dominated both local and international charts with numbers such as *Celebrate* and *Ladies Night*.

The group recently lost their lead vocalist, James Taylor, who has gone solo. However, they have not lost their sting even though Taylor's voice was synonymous with the ensemble.

The three acts will be joined on stage in Botswana by South African stars Brenda Fassie, Siphso Mabuse, Yvonne Chaka Chaka and Lesotho's Sankomoia.



HUGH MASEKELA

give us an indication whether or not this specific type of aircraft, which was used on this flight, is one of the new acquisitions of SATS?

†THE DEPUTY MINISTER: Mr Speaker, I do not have the information at my disposal. I do not know whether it is a new one or not.

†Mr J H VAN DER MERWE: Oooooo! Oooooo! *20/3/90*

†Mr SPEAKER: Order! The hon member for Overval does not have to agree or disagree with everything that happens in the House!

Botswana: two persons held captive

\*13. Mr H J COETZEE asked the Minister of Foreign Affairs:†

- (1) Whether two persons whose names have been furnished to the Minister's Department for the purpose of his reply, are being held captive in Botswana at present; if so, *Hansard 20/3/90*

- (2) whether they are South African citizens; if so, (a)(i) on what grounds and (ii) since what date have they been detained and (b) what are their names;

- (3) whether the Government is taking any steps to have them released and/or tried; if not, why not; if so, what steps? B507E

THE DEPUTY MINISTER OF FOREIGN AFFAIRS:

- (1) Yes.
- (2) Yes.
- (a) (i) and (ii)

They were detained on 21 June 1988 on various counts in terms of the National Security Act and the Penal Code of Botswana and were found guilty by the High Court of Law of Botswana on 8 December 1988 of assault with the intention to cause grievous bodily harm and sentenced to 10 years imprisonment and 8 strokes each. The sentence was confirmed by the Court of Appeal of Botswana on 4 July 1989 with the 8 strokes being set aside.

(b) Mr Theodorus Hermansen and Mr Johannes Basson. *Hansard 20/3/90*

- (3) No, in the interest of the two persons not at the present time. *12*

Pietermaritzburg: alternative highway by-pass route *8/1/91*

\*14. Mr M A TARR asked the Minister of Transport: *Hansard 20/3/90*

- (1) Whether steps have been taken to study an alternative highway by-pass route for Pietermaritzburg; if so, (a) who is undertaking the study, and (b) when is the report on the study expected; if not,

- (2) whether he or his Department has been approached to undertake such a study; if so, (a) when, (b) by whom and (c) what was the response thereto? B509E

†THE MINISTER OF TRANSPORT:

Yes.

- (1) (a) The consulting engineers Bruinette Kruger Stoffberg Incorporated, in conjunction with a team of environmental specialists from the University of Natal under leadership of Professor Breen, is undertaking the study on an alternative highway by-pass route for Pietermaritzburg, on behalf of the South African Roads Board;
- (b) The report is expected during April 1991.

- (2) (a); (b) and (c) Fall away.

\*15. Mr R J Lorimer—Public Works and Land Affairs. [Question standing over.]

Atmospheric Pollution Prevention Act: amendments *8/1/91*

\*16. Mr R F HASWELL asked the Minister of National Health and Population Development:

- (1) Whether her Department intends motivating amendments to the Atmospheric Pollution Prevention Act, No 45 of 1965, during the current session; if not, why not; if so, *Hansard 20/3/90*
- (2) whether she will consider introducing amendments providing for (a) stricter

national and regional regulations and (b) economic schemes; if not, why not? *Hansard 20/3/90* B511E

†THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

- (1) No, the Department of National Health and Population Development is still awaiting recommendations from the National Air Pollution Advisory Committee regarding amendments to the Atmospheric Pollution Prevention Act, 1965,

- (2) (a) yes.
- (b) yes.

SADP: contact with publication/person

\*17. Mr S S VAN DER MERWE asked the Minister of Defence:

Whether there has been any contact between him and/or the South African Defence Force and a certain (a) publication and/or (b) person, whose names have been furnished to the Defence Force for the purpose of the Minister's reply; if so, (i)(a) what was the nature of such contact and (bb) when did it take place and (ii) what are the names of the publication and person concerned? *Hansard 20/3/90* B512E

THE DEPUTY MINISTER OF DEFENCE:

The Minister of Defence has no knowledge of the publication "Adage News" and has had no contact with the said person, Dr A. Guenon.

There was contact between Dr Guenon and the SA Defence Force regarding the making of a feature film on the security situation in the RSA in which SA Defence Force scenes would have appeared.

The contact took place during December 1987 and early in 1988.

\*18. Mr M J ELLIS asked the Minister of National Health and Population Development:

- (1) Whether her Department has taken any steps to consider the administrative, financial and national health implications of one department of health for South Africa; if so, what steps; if not, why not;

(2) whether she will make a statement on the matter? *Hansard 20/3/90* B513E

†THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

- (1) No, the Department of National Health and Population Development have fully evaluated the relevant implications under the present constitution. Extensive measures to co-ordinate and eliminate duplication of health services already exist. At present the Department of National Health and Population Development is busy creating measures to ensure the optimal utilisation of resources.

(2) no.

\*19. Mr M J Ellis—Administration and Privatisation. [Withdrawn.]

Heidelberg, Transvaal: autopsy

\*20. Mr L FUCHS asked the Minister of Justice:

- (1) Whether, with reference to information furnished to the Minister's Department for the purpose of his reply, an autopsy was held into the death of a certain person on 13 February 1990 near Heidelberg, Transvaal; if so, (a) when, (b) by whom and (c) on whose orders;
- (2) whether any evidence suggesting a connection between an assault and the death of this person was found; if so, by whom;
- (3) what were the other findings of the autopsy? *Hansard 20/3/90* B515E

†THE DEPUTY MINISTER OF JUSTICE:

- (1), (2) and (3)

The Magistrate of Heidelberg (TV) authorised on 21 February 1990 the performance of a *post mortem* examination on the body of an adult Blackman who as far as could be ascertained was the body of the late Thomas Mavimbela Thikitha.

The South African Police is at the moment busy to investigate the matter and since a docket has as yet not been submitted to the Attorney-General or Public Prosecutor concerned I am not in a position to furnish any further information.

Sex: 44/90

12

# Namibia has potential to outshine Botswana

By John Ryan, The Star's Africa News Service

**WINDHOEK** — The South West African Building Society believes Namibia could follow neighbouring Botswana's lead and become one of the fastest growing economies in the world.

In a bullish economic review just released, the building society says it has little reason to doubt the newly independent republic has the ability to develop in a similar way to Botswana which, two decades ago, was one of the world's 25 least developed nations.

Moreover, the review says, Namibia has a more balanced mix of products and resources and a better social infrastructure and facilities.

The building society says Namibia could learn a great deal from the Botswana model and the economic success which has earned that country greater foreign reserves than South Africa.

Military spending, for example, has

been limited to a paramilitary force designed to guard Botswana's borders and help with internal peacekeeping duties. Annual expenditure is R101 million, compared with Namibia's contribution to the South African defence budget last year of R300 million.

Botswana's outlay on general services, including defence, amounted to only R520 million in 1988, as against Namibia's spending of R710 million.

Tourism is booming in Botswana, the review says, with an international casino making a healthy contribution to state income.

"Surely we must look to our laurels in this respect," it adds, pointing out that the First National Development Corporation recently estimated Namibia's growth potential in the tourist industry at 25 percent, which would bring the country more in line with Botswana.

Botswana's ratio of public expenditure to GDP was the direct result of a smaller civil service. "Lesser govern-

ment is better government," says the building society.

On the other hand, the review notes several advantages Namibia — of comparable size, population and climate — has over Botswana:

● An excellent road and rail network and an efficient communication system.

● Valuable fishing resources and a level of commercial stock farming considerably higher than Botswana's.

● Uranium reserves, feeding a world market which could expand by a further R200 million a year with the lifting of sanctions against Namibia.

● More sophisticated industries linked to the mining sector.

● A well-trained and efficient administration with the benefit of long standing, "comprehensive and supportive" laws, rules and regulations.

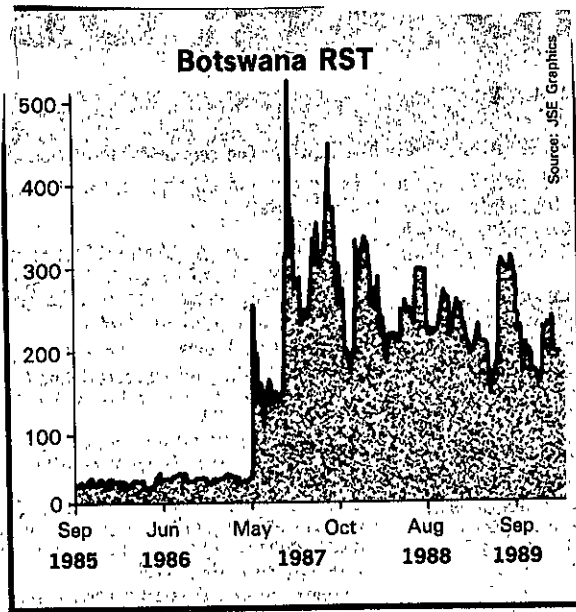
"Our judgment and observations," says the building society, "suggest that these are superior in most respects to those of Botswana."

"Twice as many hospitals and clinics with better facilities for patients. This adds to the quality of living in Namibia and assists in no small measure in attracting foreign skills."

"And although Botswana earns four times as much from diamonds — the main pillar of its economy — the quality of Namibia's individual stones is a great deal higher."

The long-term emphasis in Namibia, the building society says, must be on education, appropriate training and improving primary and secondary production. Inevitably, this will need funding from foreign entrepreneurs and world aid organisations which in turn will depend on a strong fiscal discipline, a favourable foreign investment policy — and a stable society.

However, the review concludes, "We have been much encouraged by this study and are sure that our new government is already aware and places due emphasis on these special factors."



**BOTREST** chairman Malcolm Bayliss paints a gloomy picture for the Botswana copper and nickel mine's prospects.

Tonnage milled in 1989 was slightly above the previous year's, but the nickel grade fell from 0,78% to 0,71% and copper's from 0,82% to 0,74%. Higher grades had been expected.

The low grades are cause for concern, and little improvement is expected.

Sales revenue was boosted by a strong dollar against the pula, but the dollar has weakened.

High inflation and a general salary increase of 30% after arbitration helped to increase production costs by 40,9% a ton.

Mr Bayliss reports that the period of high metal prices has ended, and prices are forecast to average less than

# Botrest hobbles along

in 1988 and 1989. A weaker dollar will further hinder Botrest.

Botrest repaid fixed-term senior debt, improving its ability to withstand a period of low metal prices. But high inflation and rising costs are a problem.

Botrest must also incur large capital expenditure to secure an adequate supply of ore. The Botswana Government is securing a special EEC loan for 21,65-million European currency units, or about Pula 45-million.

Botrest's only immediate source of funding is its working capital reserve, which may prove insufficient to maintain operations and fund capex if metal prices remain weak.

"In view of the substantial accumulated losses of Botrest, which have led to an extremely high burden of debt, the payment of dividends on the ordinary shares remains remote in the extreme."

## BURDEN

Botrest reduced its accumulated deficit from P1,35-billion to P1,25-billion in 1989. The principal shareholders have furnished loans of P1,37-

billion, including outstanding interest. The principals are Anglo American and Amax.

They own 75-million 10% cumulative redeemable preference shares of P1 each. Losses attributable to the preference shareholders are P75-million. Cumulative dividend arrears total P88,5-million.

Botswana introduced 10% GST from March, which will compound the woes. On the bright side, Botrest has an

estimated assessed tax loss of P556-million.

It is strange that Botrest's shares sometimes surge on nothing specific, especially from mid-1987 when any bit of nonsense moved share prices. Speculation has been attached to Botrest regarding platinum, diamonds and other grounds, all without foundation.

It earned P92,7-million, or P43,87 a share, in 1989, making it the only listed company whose share price of 200c is less than half the previous year's historic earnings.

Do not be misled. Botrest is not a share for widows and orphans. It is not really for anybody.

STimes 15/4/90 (12)

## Botswana banks doing well

18/01/1990 LIZ ROUSE

12

STANDARD Chartered Bank Botswana (Stancha) and Barclays Bank of Botswana did well last year with respective taxed income up 34,7% and 20% respectively.

Stancha posted a taxed profit rise to 8,5m pula (6,3m) in the year to December while total assets climbed to 370,3m pula from 283,5m pula. Shareholders funds totalled 41,4m pula (23,2m) while deposits and other accounts grew to 323,9m pula (258,5m).

Advances and other accounts increased by 55,7% with an attendant rise of 23,2% in interest earnings.

Barclays Bank's taxed profit rose to 12,3m pula (10,2m) while total assets grew by nearly 21% to more than 540m pula and advances and other accounts increased by more than 40%, indicating asset-led growth as opposed to the deposit-led growth the bank has been used to for many years, says chairman L G Nchindo.

Nchindo says it is encouraging to see Botswana attracting interest from financial institutions in other countries.



14 black SA  
manufacturers  
for Botswana

By Jabulani Sikhakhane

In an attempt to penetrate markets in neighbouring African states, 14 black manufacturing companies will display their products at Botswana's annual industrial trade exhibition this week.

The 14 companies will display products ranging from clothing, furniture to car tyres and headwork's in Bitex'90 show at the Gaborone show grounds, under the banner of the National African Federated Chambers of Commerce (Nafcoc).

Gabriel Mokgoko, Nafcoc's public affairs manager, says Bitex'90 represents the first attempt to build bridges between black business in South Africa and neighbouring countries with a view to establishing an economic relationship in preparation for a post-apartheid SA.

# Mystery over Chand bombing

*Sowetan* 25/4/70  
MYSTERY still surrounds the bombing of the Pan Africanist Congress family of five in Botswana as the country's government and police remain tight-lipped over the incident yesterday.

A source told *Sowetan* yesterday the "matter will be addressed by President Quett Masire when he returns from his trip outside the country".

The source said all government departments had their "hands full"

after a person was shot dead outside State House in Gaborone yesterday.

The Botswana police said the bombing of Mr Sam Chand, his wife, three sons and their night-watchman was being investigated.

They would not say whether the attackers of the Chand home in Sikwane Village in the Kgatjeng district on Monday morning were from outside Botswana or if it was

politically motivated. (12)

South African Minister of Law and Order Mr Adriaan Vlok yesterday said police had nothing to do with the attack.

Our correspondent reports that an SAP spokesman in Pretoria said that if the PAC had any information to substantiate its claim that the attack was the work of South African agents it was welcome to present its evidence which would be looked into.

# PAC exile was one of six killed <sup>PKGS</sup> in shooting <sub>25/4/70</sub>

<sup>(12)</sup>  
The Argus Correspondent  
JOHANNESBURG. — The man who was gunned down with his family in Botswana and whose home was destroyed in a bomb blast was an exiled member of the Pan Africanist Congress.

Botswana police confirmed the death of Mr Sam Chand, his wife Hajira, his sons Redwan, 26, Amina, 23, and Imran, 17. A nightwatchman, whose name is not known, and a dog also died.

The president of the PAC, Mr Zephania Mothopeng, today condemned the killings and warned that such attacks only served "to escalate the struggle."

Mr Mothopeng said although he did not have all the facts, he believed the killings may have been carried out by agents of the South African government.

## SHOCK

"I mean, who else does this sort of thing in neighbouring countries?" Mr Mothopeng asked.

PAC secretary for foreign affairs Mr Gora Ebrahim last night expressed shock at the killings.

He blamed "agents of apartheid for this cowardly and Satanic act".

"Why kill innocent children? Why don't they take on our combatants who have been giving them hell on the ground?"

"We have always said there has been no change in the country and apartheid continues."

Botswana police were tight-lipped about the attack.

It is understood police did not arrive until long after the shooting even though the house is not far from their post between Botswana and South Africa.

28/1/90  
12

# Bomber gang wipe out family

**GABORONE.** — Police are mystified by the shooting and bombing of a family of five on the Botswana-South Africa border.

They said they had no explanation for the attack on the home of prominent businessman Mr Sam Chand at Sikwane, 40 kilometres north-west of Gaborone.

Gunmen shot to death Mr Chand, his wife and three sons and a nightwatchman before blowing up the house and adja-

cent trading store, relatives said yesterday.

Police said earlier that the six died when a powerful bomb tore apart the house early on Monday. But relatives said all six had been shot before the house and store were blown up.

They said a witness, believed to be a domestic servant, had said a group of men arrived about 2am. She heard shooting and escaped through a window.

Mr Chand's three sons, aged 17, 23 and 26, were shot first, then the 57-year-old businessman and his wife Hajira. Police said the family dog was also shot dead.

The five-roomed house was demolished. The sum of 670 pula and a video camera were found among the scattered debris.

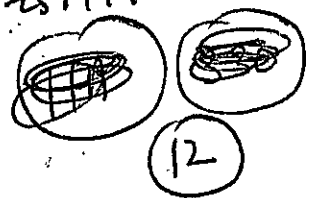
The family were buried yesterday in the Moslem cemetery at Gaborone. — Sapa-AP

# PAC

**Exiled  
family  
is shot  
dead**

# man, 5 slain

*Sowefam  
25/4/90*



**AN exiled member of the Pan Africanist Congress and his family of four, their nightwatchman and a dog were gunned down in Botswana before a powerful bomb blasted their house.**

Botswana police yesterday confirmed the death of Mr Sam Chand, his wife Hajira, his sons Redwan (26), Amina (23) and Imran (17). The identity of the nightwatchman is not yet known.

The police were, however, tight-lipped about the attack and would

**By THEMBA MOLEFE**

only say the explosion occurred at 2.20am on Monday at Sikwane village in the Kgatleng district, 40km north-east of Gaborone.

They would not say whether or not the attack was politically motivated except that they were investigating.

PAC internal publicity secretary Mr Benny Ntoele said the attack was the work of "imperialists" and that similar incidents would escalate.

The house in which Chand lived and an adjoining trading store were reduced to rubble by the explosion.

Radio Botswana said yesterday it had been told by a witness, who was

not named, that she had seen the attackers approaching the house about 2am and had escaped through the back window.

She heard repeated gunshots before the building was blown up.

A relative of the family, who asked not to be named, said yesterday the killers first shot the three sons before shooting the parents.

It is understood the police did not arrive until long after the shooting even though the house is not far from the border post between Botswana and South Africa, where police are based.

Police said six bodies, including that of the nightwatchman, were recovered from the remains of the devastated house.

**ANC exiles detained - Page 3**

The Botswana Defence Force is coming under criticism for the growing number of incidents in which soldiers have killed and wounded civilians and gone unpunished. THE STAR'S AFRICA NEWS SERVICE reports.

**GABORONE** — President Quett Masire of Botswana has returned from a three-day visit to Swaziland to face growing anger over the killing of unarmed civilians by the Botswana Defence Force.

At least eight civilians have been killed by BDF soldiers in recent years, and several wounded.

The latest casualties are a teenage girl shot dead while sitting with her boyfriend in a vehicle, and a visiting Briton killed while driving outside State House.

An a strongly-worded editor-

# Anger over trigger-happy soldiers

at on its front page, the Botswana Gazette yesterday called for a public inquiry into the killing of the girl, Miss Suzan Raditladi, last Friday.

She died when a BDF patrol fired more than 30 shots at the vehicle in which she was sitting with Mr Kalesitse Gilika. He was wounded.

When he came out of the vehicle pleading for help, he was allegedly beaten by soldiers.

On Wednesday morning a British citizen, Mr Gerald Hedge, was shot dead by the BDF in front of State House in Gaborone.

It is understood that a group of prominent people in Gaborone intend approaching President Masire about the shooting of civilians by the BDF.

Condemning the shooting of the teenager, the Botswana Gazette said: "There can be no possible justification for this senseless shooting of an innocent 18-year-old girl and the serious injury of her boyfriend. It must be condemned in the strongest possible terms."

"If the BDF is to retain its credibility as the defender of the nation... those responsible must be made answerable for their reckless action, and full and frank disclosure is needed to ensure that such a tragedy can never happen again."

The newspaper said the shooting indicated that there was something "seriously wrong with BDF standing orders, systems of communications, and control at higher level".

The Minister of Public Administration and Presidential Affairs, Lieutenant-General Mompoti Merahe, who formerly commanded the BDF, said the public could be assured that a thorough investigation would be conducted into the fatal shooting.

In the past, there have been a number of shootings of civilians involving BDF soldiers.

More than 10 years ago, two game rangers and a British citizen were killed in the Tuli Block by the BDF. A soldier was charged with murder, but acquitted.

In 1983, two men, Mr Ronald Visser and Mr Albert Becker, were shot and killed while fishing in the Chobe River. Two BDF soldiers were

sentenced to 15 years and nine years' jail, but were pardoned by President Masire shortly afterwards.

In January 1985, the son of a Swedish diplomat was slightly injured when a BDF patrol opened fire on a group of teenagers having a party in an area where the BDF said it was looking for ANC guerrillas.

A British citizen, Mr Raymond Archibald, was shot and killed in front of his wife and three children at a roadblock between Francistown and Gaborone in 1987. A soldier was arrested and charged with murder, but later released. The Botswana government was later ordered by a court to pay Mrs Archibald R250 000 in compensation.

In 1988, Botswana's Minister of Water Affairs, Mr Archie Mogwe, was shot at by BDF soldiers while inspecting the overflow at Gaborone Dam. He was not injured — and nobody was arrested or charged.

Three weeks ago, Mr Sidney Dean was slightly injured when he was shot at by BDF soldiers while driving past the national stadium towards the old airport.

Last Friday night Miss Raditladi was shot dead and her boyfriend injured by a BDF patrol while sitting in a car near her home.

On Tuesday Mr Hedge was shot dead near State House after apparently driving twice through the area in a luxury car.

It is also known that Mr Charles Scheffer, brother of the president's private pilot, was also in the past shot and wounded by BDF soldiers.

# SA man jailed after bid to free agents

12  
Soweto  
2/14/90

Gaborone - A South African, Johannes Muzi Zitha, was sentenced to an effective six years in jail in the Botswana Supreme Court on Wednesday for "treasonable offences" involving an attempt to free two South African agents from jail.

Zitha, whose trial lasted 18 months, faced 10 counts of treason and was eventually found guilty of two.

He was sentenced to six years on each but the two sentences will run concurrently.

The two men Zitha tried to "spring" from jail in Francistown in 1988 were Johannes Basson and Theodore Hermansen, still serving 10-year sentences after having been caught at a road block near Gaborone in the same year.

Basson and Hermansen admitted after their capture that they were South African agents on a mission to kidnap a local member of the ANC.

# SA man jailed after bid to free agents

12  
~~12~~

Soweto 27/4/90

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## Stuntman killed

HOLLYWOOD - One of Hollywood's most experienced stuntmen, John Sherrod, 47, known for his driving skills in high-speed chases and crashes, was killed on a road near Hollywood on Wednesday when the truck he was driving collided with a pantechicon. - Sapa

## Runner had broken leg



# Slaughtered family take murder secrets to grave

Sikwane 29/4/90

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A BUSINESSMAN who was massacred with his wife and three sons in a dusty Botswana border village this week carried the identities of the killers to his grave.

His relatives fear they will never know who the murderers are — and they claim Botswana police are “not interested”.

It took the police in the village of Sikwane six hours to arrive at the scene of the bombing — a house on a hill less than 600m from the police station.

“We want a full inquiry,” said the murdered man’s brother Mr Aziz Chand, a Gaborone businessman.

“But we have little hope of the killers ever being caught. It makes me so angry.”

The Botswana police have refused to comment.

The bombing shook the village of Sikwane on the SA border early on Monday morning.

Pan Africanist Congress sympathiser Sam Chand, his 56-year-old wife Hajira, their



**BLASTED:** Remains of the death house **Picture: PIERRE OOSTHUYSEN**

three sons and the family’s dog, Kenny, were slaughtered by bursts of gunfire as they slept. Their night watchman, Mr Mathakwene Pule, was also shot.

Minutes later the house was blown apart by a bomb.

Only one person staying in the house that night escaped death. Domestic worker Miss Mmaletsatsi Thsekeledi woke up when she heard the night watchman screaming.

She slipped out of a window and, as she ran, she heard shooting in the house behind her and then a massive explosion.



**SAM CHAND**  
Slain businessman

## 12 Wounds

She later told the police she had seen a car parked outside the house and the silhouettes of two men. She could not say if the men were black or white.

One relative — a South African doctor who asked not to be named — said there were five bullet wounds in Mr Chand’s head and several in his left arm.

“It seems that the attackers then tied an explosive device to his body and detonated it. It blew him to pieces.

“Only the upper parts of his body were found, lying scattered 20m away from the house.”

The bodies of Hajira and sons Ridwaan, 26, Ameen, 24, and 16-year-old Emraan were found in the rubble of the nine-roomed house.

“Hajira’s body was riddled with bullets,” said the doctor.

responsible.

It had picked on the Chand family “simply because they were members of the PAC”.

The South African Department of Foreign Affairs refused to comment on the PAC’s accusations.

“The whole thing is a mountain of speculation,” a spokesman said.

Law and Order Minister Adriaan Vlok said the police had nothing to do with the attack, and a Pretoria police spokesman said they would welcome any evidence the PAC could produce.

Mr Chand’s family could not cast any light on the killings.

“My brother was very tight-lipped about his political activities,” said Mr Aziz Chand.

## Claim

None of the family or the people who worked for Mr Chand could confirm the PAC’s claim that his home had been a safe house.

Mr Lucas Maseko, who was employed by Mr Chand to run the shop adjoining the house, said nobody apart from family members ever stayed there.

Mrs Anna Molefi, who worked for the family for as long as she can remember, said their only visitors had been their children, brothers and sisters.

● In a second tragedy to befall the family, Mr Chand’s brother Ismail, of Lenasia, Johannesburg, was killed in a car accident on his way to Botswana on Thursday.

nt announcement from the  
ian Embassy

## ANNOUNCES ELECTION LAW

Austrian citizens abroad are enti-  
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eld probably on October 7, 1990.

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ent (Wahikarte) to be issued by  
len election authorities upon offi-  
f the election.

f polling document, voting by  
paper to the competent electoral

and application forms please

storia Austrian Consulate  
General

9th Floor  
OR Samro House  
73 Juta Street  
Braamfontein  
2001

Tel:  
(011) 403-1850/1

It is a sin over Madonna's bra

# Botswana army chief regrets fatal shootings

GABORONE — Lieutenant-General Ian Khama, Botswana Defence Force commander, has issued what amounts to an apology following the shooting of two people in separate incidents, both involving the BDF.

The Botswana Press agency, Bopa, reports that the incidents took place in Mogoditshane and Gaborone. Those killed were a Botswana citizen, Ms Susan Raditladi (18), and a British National, Mr Gerald Hedge (57).

General Khama said he did not wish to address the issue of who was right or wrong, but rather to express to everyone "that we deeply regret the loss of life that resulted, and to assure you all that we certainly do not take pride in what has happened". He said it was in no way the intention of the BDF to

cause the deaths of the two people.

"The BDF, as the name implies, has been established to protect the lives of this nation's citizens and other people in this country.

"If it comes about that some of our methods have called ... into question the foundation of this policy, then we must and are willing to take steps to make changes ... to reflect what we are and what we want to be, and that is to represent the character of this nation, a peaceful democracy, that upholds the important principle of respect for ... the rights of the individual as well as the sanctity of life," he said.

The BDF would take steps to try to prevent such tragic incidents from happening again, said General Khama. — Sapa.

## Botswana to develop stock exchange

BOTSWANA is to develop its own stock exchange, says Southern Africa Special Dispatch. 6/0-1 7/5/90

A firm called Stockbrokers Botswana (SB), started last year, has been making a market in six quoted shares: Barclays Bank of Botswana; Standard Chartered Bank (Botswana); Botswana Game Industries; IGI Botswana; Sechaba; and Sefalani.

SB MD Bill Picken says an Act to enable the formation and control of

the operation of an official stock exchange is being examined. (12)

"It will probably be modelled on the Harare Exchange. We will have a couple of brokers trading."

Picken says SB's share turnover amounts to about R700 000 a month and interest is growing.

He hopes the market will receive impetus from the move by many pension funds of Botswana-based companies back to Botswana. — Sapa.

Sta 9/5/90 (12)

# Botswana developing own stock exchange for growing economy

## Finance Staff

GARBORNE — Botswana, with its strong economy, is to develop its own fledgling stock exchange, the Southern Africa Special Dispatch writes in its latest issue.

There are few countries in Africa which can boast of the kind of economic growth Botswana has enjoyed in the past few years — 10,6 percent in 1987, 8,1 percent in 1988, 13,1 percent in 1989 and the forecast for 1990 is 8,7 percent.

Despite the healthy state of the country's economy, its financial markets are surprisingly undeveloped. As yet there is no stock exchange in the country and no capital market.

The strength of the economy is one of the reasons no capital market has developed.

The strong foreign reserves and the ability of Government to pay for all its expenditure out of current revenues means there is virtually no government debt to speak of.

## Unattractive

Besides, with inflation running at about 11 percent and interest rates around eight percent, the negative real return on interest-bearing investments is hardly attractive. This has led to a reluctance on the part of lenders to grant loans for periods longer than two to three years.

But businessmen report some tightening up in the money market with a recent surge in demand for property finance the major reason.

While there is no stock exchange in

Botswana as yet, reports the newsletter, a firm called Stockbrokers Botswana started up last year and has been making a market in six quoted shares — Barclays Bank of Botswana, Standard Chartered Bank (Botswana), Botswana Game Industries, IGI Botswana, Sechaba and Sefalani.

According to SB MD Bill Picken, turnover is now about 500 000 pula a month, equivalent to about R700 000, and interest is growing, even from foreign investors. Another two shares will be added to the trading list within the next year, both of them being financial companies.

Mr Picken is hoping the market will receive some impetus from the move by many pension funds of Botswana-based companies back to Botswana

from foreign shores.

This move, encouraged by Government, should ensure an increase in the amount of investment money looking for a home.

Mr Picken adds that there is an Act under examination by the Ministry of Finance which will enable the formation and control of the operation of an official stock exchange.

"But our stock exchange won't be modelled on the Johannesburg market. It will probably be modelled on the Harare Exchange in Zimbabwe. We will have a couple of brokers trading amongst each other for a few hours each day."

During 1989 the country had a trade surplus of nearly \$813 million, with im-

ports of \$1,1 billion and exports of \$1,9 billion.

The major part of the export figures is made up of diamonds which generated revenue of \$1,4 billion in 1989, 32 percent up on the \$1,06 billion exported during 1988.

The other two major exports are copper-nickel matte and meat products.

## New investments

Public companies apart, there has been an upsurge in activity in terms of new investments in the country in the past year.

The largest of those, currently under way in northern Botswana, is the R920 million Sua Pan soda ash project, due for completion late in 1990. The project is being developed by Soda Ash Botswana, whose main shareholders are AECI and Anglo American (52 percent of the equity) and the Botswana Government (48 percent of the equity).

The project has involved the construction of a 180 km long railway line to the town of Francistown and this has opened up possibilities for other investments now viable because of the new transport infrastructure. Talk is of a new copper mine that could be opened up along the rail route.

Spin-off industries from the soda ash development, such as detergent manufacture, are also expected to develop in the Francistown area.

Other investments pending in Botswana include a \$20 million Peugeot assembly plant and a new canning plant to be erected by Metal Box.



Botswana's Jwaneng diamond mine is a major contributor to the country's export earnings. Diamonds generated revenue of \$1,4 billion in 1989, 32 percent up on the \$1,06 billion exported in 1988.



# Botswana's ruling party forced into a by-election

By GIFT SIPHO SISO

(12)

FOR the second time in the electoral history of Botswana, the ruling Botswana Democratic Party (BDP) has been forced into a by-election by a High Court ruling.

In a dramatic judgment this week, Judge Livesey Luke ordered that a by-election be held in the Mochudi constituency, which was won by Education Minister Ray Molomo in last year's general election.

The ruling followed a petition filed shortly after the election late last year by opposition candidate James Pilane, of the Botswana National Front (BNF).

In his petition, Pilane - who lost the seat by a mere 29 votes - had asked the court to declare the result null and void on grounds that voting time was illegally extended.

Attorney-General Moleleki Mokama could not say what would happen to Molomo. However, he said he would make recommendations to President Quett Masire, who would then decide what to do.

Nevertheless, it is constitutionally possible for Masire to retain Molomo as education minister.

A precedent already exists. Former Finance Minister Peter Mmusi, who lost his Gaborone South seat to opposition leader Dr Kenneth Koma in 1984, retained his post when Masire asked a member of his party to step down from Parliament in favour of Mmusi.

Delighted BNF secretary general Paul Ranto, who is also mayor of Gaborone, said the ruling confirms what his party has been telling the nation for years, "that the BDP was rigging elections".

"This proves that unless there is an all-party electoral committee, elections in this country will always be rigged," he said.

Asked whether they stood a chance in a by-election, Ranto said they would certainly trounce the ruling party.

In 1984, the BNF petitioned the High Court after discovering a sealed ballot box lying in a polling station several months after the elections.

In that case too, the High Court ruled in favour of opposition candidate Dr Koma.

Dr Koma was subsequently elected to Parliament in a by-election, and his constituency of Gaborone South has become known as the opposition stronghold.

No date has been set for a by-election but an announcement is expected soon from the government, whose party is still yet to consider whether to appeal or not against the ruling.

# No sanctions 'a stab in the back'

*capt Jnts 5/6/90*

*12*

*280*

GABORONE. — Mr Nelson Mandela flew to Botswana at the start of a 45-day foreign tour yesterday, warning the international community that lifting sanctions against South Africa now "would be tantamount to stabbing the liberation struggle in the back".

Kicking off a tour of Europe, Canada, the United States and Africa, Mr Mandela set the tone for his most extensive foreign trip.

The 71-year-old ANC leader and his wife, Winnie, received a red-carpet welcome led by President Quett Masire when they arrived in the diamond-rich country.

Tribal dancers performed on the tarmac and women ululated before the Mandelas were escorted into town along "Nelson Mandela Drive".

After meeting privately with Mr Masire, Mr Mandela addressed a crowd of 15 000.

"Apartheid is still alive but the ANC is even more alive," Mr Mandela declared.

He said despite relaxation of restrictions on political activity and repeal of some apartheid laws, the main issue of black voting rights and self-determination has not been addressed.

As he left South Africa yesterday morning, Mr Mandela reacted to a question about newspaper reports that said he might be embarrassed abroad by the government's lifting of the emergency.

"If the state of emergency is lifted, that will be a victory for us," he said as he boarded a 12-seater, twin-engine Botswana government plane in Johannesburg. — Sapa-Reuter and UPI

# Botswana's fighter for women's rights

By GIFT SIPHO SISO

cl/roes  
10/6/90 (12)

**L**ADY Ruth Khama, wife of the late Botswana president Sir Seretse Khama, has fought a tireless battle for women's rights in her country.

She is involved in many charity projects and has led rural women in various income-generating projects under the banner of the Botswana Council of Women.

Besides being president of the BCW since 1966, Lady Khama has been national president of the Botswana Red Cross Society for 30 years.

As BCW president she regularly brings rural women together to share ideas on issues of mutual interest.

Experts address the women on topics such as Aids education, health and legal rights.

Other projects include self-help and income-generating activities like savings clubs, social clubs, gardening projects and day care centres.

Lady Khama's attention was drawn to the Botswana Citizenship Act and the amendment of the Marriages Act.

Under the Citizenship Act, children born to a Motswana woman and a foreign man are denied Botswana citizenship, while those fathered by Motswana men with foreign women have automatic citizenship.

The discrepancy in the Act aroused

anger among Botswana women and led to the birth of Emang Basadi (Stand Up Women), a pressure group that fights male chauvinism.

Lady Khama described the Act as "morally unacceptable".

Delegations of women belonging to various organisations have seen the authorities and tried to impart some sense to them concerning the morality of such an Act, she said.

"We will not watch legislature trample on our rights. The fight will go on until the situation is rectified."

On the Marriages Act, whose amendment brought in the practice of polygamy, Lady Khama said it was not helping the country's fight against Aids.

"On one hand we put up posters urging people to stick to one partner, while on the other we encourage them to have many partners through the law."

Asked why Botswana women are reluctant to take up positions of influence in the country's leadership, Lady Khama said men do all they can to keep women down because they do not like having female bosses.

"My husband used to urge the women in the country to take an active role in the issues of their country and to put up their own candidates at elections, but not much has been achieved so far.

"We have women in leadership positions in district councils but they do not graduate to parliamentary level."



Lady Ruth Khama is challenging legislation which discriminates against women.



# Massive blast rocks Gaborone

Sowetan  
Correspondent

Gaborone - A powerful explosion rocked Gaborone early yesterday morning causing severe damage but no injuries.

The explosion, believed to have been a bomb blast, occurred in Gaborone's Industrial Site, directly in front of a vehicle dealer's showroom and was felt about 5km away.

First reports said there were no injuries although three security guards were in the vicinity.

The dealer's showroom suffered considerable damage and buildings in the area had their windows blown apart.

A police spokesman said he did not believe the incident was political but rather connected with recent industrial problems in the area.

It is understood some workers were recently dismissed from a firm in the area.

SA 20/6/90

# Aids claims little victims

12

The Star's Africa News Service  
GABORONE — Young children are now dying of Aids in Botswana, it was reported in Gaborone yesterday.

Dr Motshidiso Moeti, of Gaborone Hospital's community health services, said that 11 children under the age of five had died of the disease, and 21 in the same age group had the disease. Botswana's Aids deaths total is 43.

● Sapa reports from Mbabane that a Swaziland-based specialist, Dr George Manolakis, says he doubts a claim by two American doctors to have successfully treated a patient with an Aids-related cancer condition, by heating his blood to 42 deg C.

Dr Manolakis says blood cannot tolerate such heat without damage, and the treatment could only prolong the problem.

## Botswana pledges to continue refugee aid

CP Correspondent

CP/CS 24/6/90 (12)

BOTSWANA will continue to give full protection and assistance to South African and other refugees until they could return home in safety and dignity, Botswana's Minister for Presidential Affairs and Public Administration has said.

Lt-Gen Mompoti Merafhe was speaking in a nationwide broadcast over Radio Botswana on June 20, the commemoration of Africa Refugee Day.

He expressed hope that the promising developments in South Africa would be advanced to create the necessary climate for peace and security indispensable for the voluntary return of South African refugees to their country.

"As a government and as Botswana, we give encouragement to these developments in South Africa," he said.

Merafhe said it was a serious indictment against Africa that the continent should host half the total world refugee population of 10-million. - ANO

# Seretse's son wins a boerenooi bride

S/Times 1/7/90

12

By MARK STANSFIELD  
**AN AFRIKANER** convent girl from conservative Rustenburg is to marry into one of black Africa's aristocratic families.

Margaret le Roux, 27, will wed Anthony Khama, 31 — son of Sir Seretse and Lady Ruth Khama — at a private ceremony in Botswana in September.

It is history repeating itself — for Sir Seretse, late President of Botswana, and Englishwoman Ruth Williams shocked people in both Britain and Botswana with their marriage 42 years ago.

Now the shock is being felt in verkrampste Rustenburg, a Conservative Party stronghold.

But Margaret's proud father, staunch Afrikaner Louis le Roux, has given the couple his blessing. He said yesterday: "Anthony's a real gentleman — and, anyway, he's not black but a very highly educated coloured man."

Anxious to avoid controversy, Margaret and Anthony, whose engagement was announced on Thursday, have gone on a month's holiday to Malawi and Mozambique, where they are expected to hand wedding invitations to Presidents Kamuzu Banda and Teachim Chissano.

In 1948 Lady Ruth and Sir Seretse's marriage caused much heartache for the couple and was opposed both in Botswana and in Britain. Sir Seretse spent six years in exile before the couple were accepted in Botswana.

Margaret's father said Lady Ruth had already warned her son and Margaret about the trouble their marriage may cause among the tribal Batswana people.

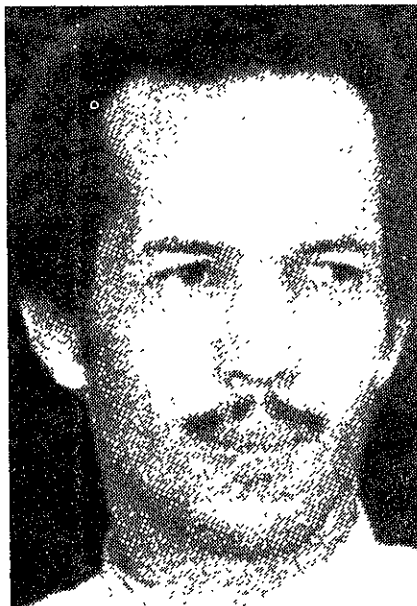
## Upset

"She went through so much trouble when she married Sir Seretse. It caused endless bitterness and division before the tribe accepted Lady Ruth as the Queen Mother of the Bamangwato tribe.

"I pray Margaret and Anthony's marriage will not cause similar problems," Mr Le Roux said.

The engagement has already upset leaders of Botswana's powerful Bamangwato tribe. Despite Margaret and Anthony's wishes for a quiet wedding, the tribal chiefs want it to be a huge public affair. The leaders are to hold a big indaba to discuss the matter on Wednesday.

Margaret le Roux fell "head over heels" in love with the man of her dreams



HUSBAND TO BE... Anthony Khama

## Khama family's colour-blind love story set to repeat itself



ARISTOCRATS... Lady Ruth and Sir Seretse Khama

while still a schoolgirl at Selly Park Convent 14 years ago.

Dad Louis said: "Margaret had some friends at the convent who came from Botswana. She went on holiday with them and met Anthony,

with whom she fell madly in love. I'm quite comfortable with her choice of partner.

"Anthony has often come and stayed here on the farm with me. You could not meet a nicer fellow — despite what some people are saying

around here about his skin." Margaret's mother committed suicide about three years ago.

"My wife suffered from her nerves and what people were saying to her about living in the bush and what her children were up to.

"In December 1987 she shot herself through the head soon after I had walked out of the bedroom," he said sadly.

"But I'm sure she would also be happy with Margaret's choice."

Other farmers in the Rustenburg district were non-committal about the marriage.

## Choice

"That's their affair and they'll probably live in Botswana, not here," said one.

Last Friday Margaret's brother Pieter allowed his farmhouse to be used as a rallying point for farmers voting in a referendum held by the Transvaal Agricultural Union.

The referendum hinges on the Government's hint that it may soon give white farmland over to black farmers — a move opposed by conservative farmers in the Boshoeck district.

But Pieter le Roux has also given his blessing to Margaret and Anthony's marriage.

"As long as Margaret's happy with her choice we don't mind at all," said his wife, Mrs Anna le Roux.

## Tension

Anna's brother Janneman was Margaret's boyfriend before she met Anthony Khama.

Margaret's father Louis cannot speak English. His daughter cannot speak Afrikaans.

"Ja... Margaret cannot speak Afrikaans, so we've had a difficult time communicating. She was sent to English schools because that is what her mother wished," said Louis.

"Margaret's mother was an English woman who didn't really like Afrikaans people — even though she ended up marrying one," he chuckled.

"Like Sir Seretse and Lady Ruth, we have also suffered from racial tension — even if it was only about the differences between Englishmen



PROUD... farmer Louis le Roux

Picture: SUE KRAME

and Afrikaners and not about black/white marriages," he added.

"I'm very busy with the farm but I'm definitely going to take some time off to attend my daughter's wedding... it should be very interesting," he laughed.

On Thursday the Bamangwato tribal authority, Chief Sediegegeng Khamane, announced the pending marriage to the tribe.

He said Anthony Khama wanted the ceremony to be a private family affair and not a public marriage.

## Mother

However, the tribal leaders disagreed, saying that since Anthony was in line for the Bamangwato's chieftainship he was public property and that any affair involving him must necessarily involve the tribe.

The tribal leaders said they were not concerned about the nationality of his future bride but preferred consultation because Margaret le Roux would become the mother of the Bamangwato tribe.



BRIDE TO BE... Margaret le Roux with former boyfriend Janneman

# Afrikaans girl to marry

## Botswana's Khama

Staff Reporter

27/90 (12)  
Anthony Khama, son of former Botswana premier Sir Seretse Khama, has announced his engagement to an Afrikaans farmer's daughter, according to a report at the weekend.

Anthony (31), who is in line for the chieftainship of Botswana's powerful Bamangwato tribe, will marry Margaret le Roux (27) of Rustenburg at a private ceremony in Botswana in September.

The late Sir Seretse Khama also braved public opinion — in Botswana and in Britain — when he married Englishwoman Ruth Williams in 1948.

Sir Seretse and his bride lived in exile for six years, enduring hostility and public recrimination before the Batswana came to terms with the

marriage and the Bamangwato accepted Lady Ruth as their Queen Mother.

Now, 42 years later, Anthony and Margaret are hoping for an easier passage. Margaret's father Louis has reportedly given his blessing to the marriage.

Anthony, whom Margaret met 14 years ago, has stayed at the Le Roux's farm on several occasions.

The Bamangwato tribal leaders will hold an indaba to discuss the marriage on Wednesday. It appears that Margaret's nationality will not be a stumbling block. The couple's wish for a quiet wedding, however, is likely to be disputed — the tribal chiefs reportedly want a public ceremony.

# Botswana citizenship crisis deepens

By GIFT SIPHO SISO

CP/Press 5/8/90

(12)

**B**OTSWANA'S crisis over the citizenship rights of children born to foreign fathers deepened this week as leading organisations and individuals threw their weight behind a constitutional test case.

The crisis stems from amendments to the country's Citizenship Act in 1982 – which denies citizenship to children born to Botswana mothers and foreign fathers.

The case of Unity Dow promises to “be a real test of our democratic policies, principles and intentions”, said women's rights campaigner Ntombi Setshwaelo.

Two children of Unity Dow, a Motswana lawyer, are “stateless” because their father, Peter Nathan, is an American.

Dow has served notice on the Attorney General asking him to show cause why an order should not be made declaring Sections 4, 5 and 13 of the Citizenship Act unconstitutional.

Lady Ruth Khama, wife of the late Botswana president, Sir Seretse Khama, warned in a recent *City Press* interview: “Women in this country will rise and fight the authorities until the anomalies in the country's laws are rectified.”

The editor of the *Botswana Gazette*, Clara Olsen, a former MP, commended Dow for standing up to be counted.

“The Citizenship Act has brought harrowing problems to a number of families; problems which the government pretends do not exist,” the paper said in an editorial.

Another Motswana who will be delighted by the case is Attaliah Molokomme, a former law lecturer at the University of Botswana who has campaigned tirelessly against the discriminatory provisions of the Act.

She unearthed details on some “stateless children” during research for her PhD thesis.

In one of her published articles, she described an encounter with an 80-year-old grandmother who looked after a “stateless” baby, born of a Motswana woman married to a South African refugee.

# Khama's tribe all for public wedding

Slaw  
7/7/90

AFRICA NEWS SERVICE

12

GABORONE — A conflict has developed between the leaders of the Bamangwato tribe and the family of the late Sir Seretse Khama over the coming marriage of his son, Anthony, to a white South African girl, Margaret le Roux.

The tribal leaders want the wedding in September to be a public ceremony in the tribal capital of Serowe and not, as now planned, a private ceremony on the farm near Gaborone of Lady Ruth Khama, Sir Seretse's widow.

At a special meeting called this week to discuss the wedding, the tribal leaders said they were not against the marriage but were disappointed that Anthony wanted to keep it a private ceremony. They said it could not be private as Anthony was in the line of chieftainship.

The leaders agreed that they were not concerned about the nationality of the bride. However, they noted that as she could become "the mother of the tribe" (if Anthony succeeded to the paramount chieftainship) the tribe should be involved in the formal negotiations.

The Tribal Authority, Sedieng Kgamane, was instructed to inform the paramount chief, Major General Ian Khama, about the tribe's dissatisfaction.

# Family's mixed-love

## Khama affair sparks hate campaign in mining town

S/Times 8/17/90 (12)

The act. On Monday on Nuss-tak they were discussing the blond boer who lost out to a black man from Botswana. I cannot cope with it all," said Magda sadly.

The controversy has also split the family.

"My sister-in-law Anna and her family intend going to the wedding. I've told them that if they do they can forget about contacting us ever again because then we will be linked," said Magda.

"Anna has hurt us terribly by disclosing Janneman's links to Margaret and now she's going to compound it all by going to the wedding. I will never forgive her."

"Janneman can make up his own mind about how he wants to treat his sister after all this but I have made up my mind.

"People are twisting things out of all proportion to make Janneman look bad. Even my daughter, who is in grade one at the local school, is feeling the brunt. Wherever we go people are talking about us now. I wish they would stop," she said.

Magda also told of her misery a few years ago when Margaret's mother — who committed suicide in December 1987 — offered to pay for a divorce if she let Janneman

go so he and Margaret could get together again.

"She was dead set against her daughter marrying Anthony and wanted us to play along so she could get Margaret away from Antho-

ny by using Janneman — who was already married to me. I think her suicide was partly motivated by this," she said.

"We have had nothing but trouble right from the start through Janneman's links to Margaret.

"Margaret and I stayed out of each other's way for seven years — why does it all have to blow up again now? I have nothing against Margaret as

long as she stays away from us," said Magda. Anna suffered a nervous breakdown earlier this week because of the feud.

"People are saying Margaret broke up with me so she could run off with Anthony, which is not true at all," Janneman said.

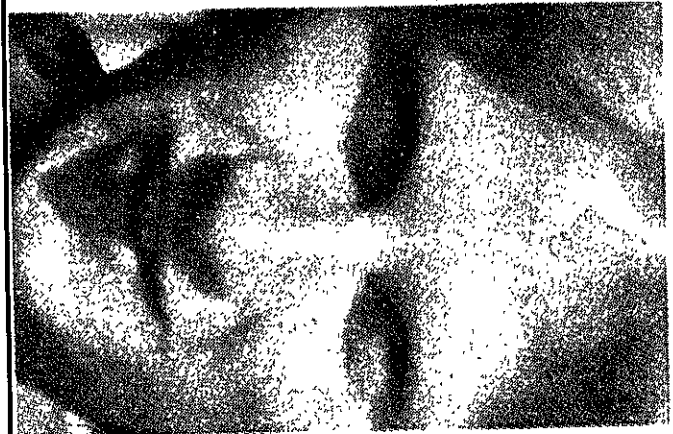
"Our break-up was a mutual decision and involved far more complicated issues than simply Anthony."

### Up roar

Margaret and Anthony have gone on holiday to Malawi and Mozambique to escape the furore over their impending marriage.

Anthony's late father, Sir Serese Khama, was caught up in a similar controversy in 1948 when he wed white Englishwoman Ruth Williams.

The couple's mixed marriage caused an uproar in both Britain and colonial Botswana.



**HOUNDED:** Janneman Nels' own marriage is being threatened by public anger at his former girlfriend's plans to wed a black man

By MARK STANSFIELD

A TOP mining official is facing an onslaught of racial prejudice after his former girlfriend announced her plans to marry Sir Seretse Khama's son, Anthony.

Since Margaret le Roux's announcement in last week's Sunday Times, father-of-three Janneman Nels has faced:

- A string of obscene telephone calls;
- A campaign of vicious rumours;
- A family feud that is threatening to ruin his once-happy marriage.

The Rustenburg metallurgist will be related by marriage to the Khamas because his sister, Anna le Roux, is married to Margaret's brother, Pieter.



MARGARET LE ROUX

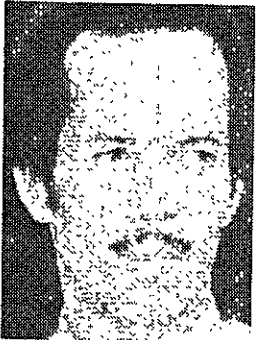
viciousness of certain people here. I cannot even bear to leave the house now, I'm so ashamed of what's being said. Even the SABC got in on

### Divorce

Janneman, 29, and Margaret, 27, went out for several years while she was at Selly Park convent in Rustenburg in the 70s.

After they broke up in 1978, she started going out with Anthony Khama, whom she met through Botswana schoolfriends.

The viciousness of conservative Rustenburg's reaction to the mixed match has



ANTHONY KHAMA

almost caused the breakdown of the Nels' marriage.

Janneman's wife Magda is seriously contemplating divorce and the family has cut off all communication with Anna because she intends attending the Khama wedding in Botswana later this year.

"This is conservative country and people do not take kindly to this sort of thing," Janneman said angrily this week.

"We grew up in this area, everybody knows us and now they're making certain we know what their feelings are about mixed marriages."

"These are very sick people," added pretty Magda.

"Someone telephoned me on Monday and said I should send Janneman for disease tests — and believe me, they don't refer to Anthony in very polite terms.

"Others say my big white hero husband couldn't even stop his white lover from running away with a black man.

"We are devastated by the

town



# Wedding plans for Khama upset tribe

Argus Africa News Service

GABORONE — A conflict has developed between the leaders of the Bamangwato tribe and the family of the late Sir Seretse Khama over the coming marriage of his son Anthony to a white South African girl, Margaret le Roux.

The tribal leaders want the wedding in September to be a public ceremony in the tribal capital of Serowe and not, as now planned, a private ceremony on the farm near Gaborone of Lady Ruth Khama, Sir Seretse's widow.

At a special meeting called to discuss the wedding the tribal leaders said they were not against the marriage but were disappointed that Anthony wanted a private ceremony. They said it could not be private as Anthony was in the line of chieftaincy.

## NOT CONCERNED

The leaders agreed that they were not concerned about the nationality of the bride. However, they noted that as she could become "the mother of the tribe" (if Anthony succeeded to the paramount chieftaincy) the tribe should be involved in the formal negotiations.

The Tribal Authority, Sediegeng Kgamane, was instructed to inform the paramount chief, Major-General Ian Khama, about the tribe's dissatisfaction.

General Khama, head of the Botswana Defence Force, is the eldest son of Sir Seretse and Lady Ruth. Next in line for the paramount chieftaincy are Anthony's twin brother, Tshekedi, who was born first, and then Anthony.

The marriage of Anthony, a motor mechanic, to Miss Le Roux, who lives near Rustenburg, has aroused special interest because it echoes Sir Seretse's marriage to the then Ruth Williams, a white Englishwoman.

(12) Spex 12/7/90

NEWS

# Botswana jails 'SA hit man' for seven

**GABORONE** — A hit man allegedly recruited by South African security forces to assassinate his former African National Congress colleagues in Botswana has been sentenced to an effective seven years' jail in the Gaborone High Court.

Lemox Magubane (34), a confessed trained ANC guerrilla, pleaded not guilty before Mr Justice Gyeke Dako to nine counts of attempted murder, unlawful possession of arms and ammunition and illegal entry into Botswana, reports Bopa, the country's national news agency.

Seven years of the sentence was handed down for the attempted murder in 1989 of an ANC refugee, one of four people Magubane was sent to kill and who he also trained earlier in Angola.

He was further sentenced to six years' jail on each of six of the attempted murder charges. These sentences are to run concurrently, leaving him with an effective seven years' jail term to serve.

Magubane told the court he was from Hillbrow, Johannesburg.

In a statement handed to the court he said a South African security officer named Nicolas Kerk had given him a Transkeian passport with instructions to kill certain refugees in Botswana. He was also given two handgrenades, a loaded Tokarev pistol, and a spare magazine.

### Accommodation

The court heard that on arrival in Gaborone, Magubane courted a Motswana girl who gave him accommodation for the night.

The following day he attacked the refugee and a woman companion as the couple were leaving a house.

He fired shots and hurled a grenade but the victim, although injured, survived the attack.

Magubane returned to South Africa, but was arrested when he re-entered Botswana to complete his mission, the court heard.

Police found him in possession of a Tokarev pistol and two magazines with live ammunition.

They also seized a pocket diary containing coded messages used for secret communication with his controllers in South Africa. The messages included cryptic notes such as "Sister in trouble", apparently to reveal that he was either in trouble or had been arrested. "Happy birthday to your mother" meant his mission had been accomplished, and "Sick for three days", was to say his mission had not yet been accomplished.

The judge said he was satisfied beyond reasonable doubt that the accused illegally crossed the border into Botswana carrying arms and then attempted to kill refugees.

At least 10 prosecution witnesses gave evidence, including a senior immigration officer, Gagogantsi Mbale, who served the accused with a notice declaring him a prohibited immigrant at Francistown in 1986. — Sapa.

years

(120) (12/7/90)  
**Hit man sentenced  
to seven years in jail**

GABORONE. — A hit man allegedly recruited by South African security forces to assassinate his former African National Congress colleagues in Botswana was sentenced in the High Court here last week to an effective seven years' imprisonment.

Lennox Magubane, 34, a confessed ANC-trained guerilla, pleaded not guilty before Mr Justice Gyeke Dako to nine counts of attempted murder, unlawful possession of arms and ammunition and illegal entry into Botswana.

Seven years of the imprisonment sentence was handed down for the attempted murder in 1989 of an ANC refugee, one of four people Magubane was allegedly sent to kill. He was further sentenced to six years on each of the attempted murder charges. These sentences are to run concurrently. — Sapa

# SA hitman is jailed in Botswana

Sowetan 12/7/90

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**GABORONE - A hitman allegedly recruited by South African security forces to assassinate his former ANC colleagues in Botswana was last week jailed for seven years in the Gaborone High Court.**

Lennox Magubane (34), a confessed trained ANC guerilla, had pleaded not guilty before Mr Justice Gyeke Dako to nine counts of attempted murder, unlawful possession of arms and ammunition and illegal entry into Botswana, *Bopa*, the country's national news agency, reported yesterday.

Seven years of the sentence was handed down for the attempted murder in 1989 of an ANC refugee, one of four people Magubane was sent to kill and who he also trained earlier in Angola.

He was further sentenced to six years imprisonment on each of six of the attempted murder charges. These sentences are to run concurrently, leaving him with an effective seven years to serve.

He was found not guilty on a charge of entering Botswana through an unofficial entry point.

Magubane told the court he was from Hillbrow in Johannesburg.

In a statement handed

## SA Press Association

to the court, he said a South African security officer named Nicolas Kerk had given him a Transkeian passport with instructions to kill certain refugees in Botswana.

He was also given two handgrenades, a loaded Tokarev pistol and a spare magazine.

The court heard that on arrival in Gaborone, Magubane courted a Motswana girl who gave him accommodation for the night.

The next day he attacked the refugee and a woman companion as the couple were leaving a house.

## Attack

He fired shots and hurled a grenade but the victim, although injured, survived the attack.

Magubane managed to return to South Africa but was arrested when he re-entered Botswana to complete his mission, the court found.

Police found him in possession of a Tokarev pistol and two magazines with live ammunition.

They also seized a pocket diary containing coded messages used for secret communication with his controllers in South Africa.

The messages included cryptic notes such as "sister in trouble", apparently to reveal that he was either in trouble or

had been arrested. "Happy birthday to your mother" meant his mission had been accomplished, and "sick for three days", was to say his mission had not been accomplished yet.

In his confession Magubane blamed tribalism within the ANC's top ranks, especially discrimination against Zulus, as the reason for his resignation from the organisation.

# Botswana plans rail link to Walvis Bay

1966  
25/7/90

From DALE LAUTENBACH  
Argus Africa News Service

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WINDHOEK. — Botswana has plans for a rail link to Walvis Bay once this contested enclave has been returned to Namibia by South Africa, said President Quett Masire on a state visit here from Botswana.

President Sam Nujoma met Dr Masire with all the pomp and ceremony due the first official visit by a head of state since Namibia's independence.

The two heads of state are expected to discuss and sign a co-operation agreement and at a preliminary Press briefing, they both expressed the conviction that trade and economic links between their adjoining countries were vital.

## INSPIRED BY NAMIBIA

Dr Masire said he was inspired by the way Namibia had conducted its affairs to date on a democratically and economically sound basis.

With the international trend towards forming economic areas over state borders and towards enlarging trade areas, Dr Masire said a good relationship between his country and Namibia could pay dividends for both.

Road building in Botswana was under way and the plan was to cross the border and bring the road across to Gobabis in eastern Namibia, he said.

The border that divided the sister countries was a "colonial one," he said. "But now we are political entities which must ensure the viability of our states and economies."

President Nujoma thanked his colleague for the support Botswana had given during Namibia's liberation struggle. Many Namibians escaped the country through Botswana at the height of the conflict.

Page 27/190 (12)

# Diamonds best friends of Botswana's economy

**GABORONE** — The views of those who monitor Botswana's economy, which has been one of the world's fastest growing in the last 20 years, often contrast as strikingly as the tiny, sparkling stones and the large hunks of beef the country exports.

Differences centre on whether diamonds can continue to fuel the economy and, if not, what else can. For its part, the government is trying increasingly hard to diversify and sees the best opportunities in tourism and manufacturing.

But these sectors are hardly likely to match the spectacular performance of the mineral sector.

One thing most observers agree on is that for the foreseeable future Botswana, like most African countries, will continue to depend heavily on a few commodity exports.

In contrast to many other African states, however, instead of cocoa or coffee, tea or tobacco, Botswana exports a lot of gem quality diamonds.

As the world's biggest producer by value, it now has \$2.6 billion in foreign reserves — equivalent to 29 months import cover — and an almost embarrassing annual budget surplus.

The special agreement on which this wealth rests is due for renewal this year. It concerns the sole diamond producer, Debswana — an equal partnership between the Government and De Beers Consolidated Mines — and the arrangement by which all Botswana's diamonds are sold by De Beers' Central Selling Organisation in London.

Some observers believe the government wants a better deal. There is even talk of a local marketing board.

But Louis Nchindo, Debswana's chief executive, dismisses this as speculation

and insists all is well with the relationship. He points to Debswana having bought De Beers shares and its two seats on the board. "You can't call that unfriendly."

Despite the small decline in the value of CSO sales worldwide last year, Botswana earned 33 percent more from diamond exports than the previous year.

Production also rose by about 15 percent from the 1988 record of 15.2 million carats. And this year's CSO price increase should translate to at least a seven percent rise in export value for Botswana.

## Stabilise production

Although a new re-crush plant at the main Jwaneng mine opened in April, enabling processing of an extra two million carats, Mr Nchindo says the board has unanimously decided to stabilise production from 1990 at about 15 million carats a year.

Any increase, he says, will need massive new investment. There is the option of a new plant at the older Orapa mine, but this would entail investment of about Pula billion (\$303 million).

Debswana's announcement that it is to set up a cutting and polishing plant will help deflect criticism that it is not doing enough to create jobs locally. Mr Nchindo says the plant will employ new technology pioneered by De Beers.

"If successful, it will create a reasonable amount of employment, which is important at this time."

What will be the effect of diamond output levelling off? "Economic growth may slow a bit," says Mr Nchindo, "but hopefully other things will catch up."

The only sectors that could hope to make up for a levelling off of diamond production are other minerals.

There is the \$400 million project at Sua Pan — the most expensive in Botswana's history due to go on stream early next year — from which exports of soda ash, mainly to South Africa, are expected to contribute about \$150 million a year, still only about five percent of all exports.

There are few other substantial mining projects, but a lot of potential. Recent earnings from copper-nickel matte, the second most important export, have been disappointing, with declining production due to poor grades and lower prices over the past year.

But additional ore bodies are being assessed, and experts say results so far look promising. Also the improved infrastructure resulting from the Sua Pan project has received interest in several copper-nickel deposits. A new mine to replace lower grade ores is due to be commissioned this year.

A small gold mine at Shashe recently came into production about \$20 million worth of copper and silver, is due to be commissioned this

## The star Finance

year. The government is discussing exploitation of a much larger copper-silver deposit which might start up in five years' time.

Coal production, still at a low level considering the 17 billion tons estimated reserves, is also set to increase significantly or provide Sua Pan with power. The prospect of exporting coal via Namibia however, is still a dream — unless there is a sharp price rise.

Exploration for minerals is extensive. Last year the Government issued 68 prospecting licences to add to more than 200 existing ones. They now cover about 40 percent of the country.

## Big companies involved

Although there could be more interest and investment, several big companies are involved. Most observers believe there are likely to be several new projects soon.

But if hi-tech mining provides the wealth for the nation, the average Botswanan still earns a living by a far more humble and traditional means — herding cattle.

Beef exports, the third most important, accounting for about four percent of the total, have performed well since the end in of the seven year drought in 1988. The state-owned Botswana Meat Commission's revenue last year was a record P171 million.

The importance of the industry lies not in its contribution to export earnings, but in its claim — despite gross inequalities in the pattern of stock ownership — to distribute the most cash to the largest number of people. But the opportunities for growth are very limited, and overgrazing is already a serious concern. — Financial Times.

Stop  
27/7/90  
⑫

## Limit put on rand notes in Botswana

GABORONE — The South African Reserve Bank has imposed limits on the number of rand notes carried by visitors from Botswana.

The manager of Barclays Bank Botswana foreign exchange centre, Mr Mike Widdup, said yesterday that the SA Reserve Bank had insisted that banks in South Africa remit only a limited amount of rands.

Mr Widdup said that Barclays Bank was obliged to restrict the sale of these notes to P500 a person.

A spokesman for the Standard Chartered Botswana added that the shortage of the rand currency in Botswana was due to control regulations between Botswana and South Africa.

He explained that South African exchange controls required that people entering the country should now carry a maximum of only R200 in cash.

Previously Botswanas were allowed to carry about R1400 to South Africa. — Sapa.

## COMPANIES

### Lower prices hit Botswana RST

LOWER metal production and lower prices for nickel, copper and cobalt sharply reduced Botswana RST's operating profit for the six months to end-June, leaving the company with accumulated losses of Pula 1,3bn (R1,9bn).

Anglo American Corporation (AAC) holds a 12% interest in the company, which in turn holds 85% of Botswana base metal min-

RIAAAN SMIT

ing company BCL.

Botswana RST reported a net loss for the six months of P62,9m (R91,2m). (12)

An AAC spokesman declined yesterday to be drawn on any possible action the corporation might take with its shareholding.

She said AAC had no management contract with Botswana RST, but that the

corporation was available on request to advise the company on technical and environmental issues.

Botswana RST's sales for the six months dropped from P271,3m to P118m and its operating profit declined from P195m to P29,2m. 6/Dec 11/8/90

Directors said the lower metal production was mainly due to lower ore grades.



## Lady Khama warns armies

GABORONE -- Lady Ruth Khama, Botswana Red Cross president, has warned armies against 'embarrassing their governments by inhuman behaviour towards innocent civilians'.

She was speaking on the 'protection of victims of war'. *10/11/90*

She said a soldier should be in charge of the situation, not the gun in charge of the soldier.

The Botswana Defence Force has recently been criticised for shooting civilians.

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LADY KHAMA



SERETSE KHAMA

# Khama row <sup>(12)</sup> is revived <sup>Sturten 20/8/90</sup>

LONDON - A "replay" of the row over the mixed marriage of Seretse and Ruth Khama has thrown southern Africa into "turmoil", the Mail on Sunday reports.

Forty-two years after the marriage which caused shockwaves from Pretoria to Whitehall, Sir Seretse's son, Tony, is planning to marry Margaret le Roux, from the rural Afrikaner stronghold of Rustenberg, across the Botswana border.

The paper says Bamangwato elders and conservative Afrikaners are again concerned.

The couple - who have

known each other since their schooldays - will be married in Serowe, at Lady Khama's farm, rather than in Margaret's Dutch Reformed Church.

But Bamangwato tribesmen who were not consulted have called a tribal meeting, objecting to a private ceremony.

Tony's elder brother, Ian, Chief of the Bamangwato, has been called in to "calm the situation".

A week after the couple's marriage, there would be a public ceremony at the tribal meeting ground.

Lady Ruth is said to be delighted with her son's choice of bride.

# Destabilisation: a new

Star 22/8/90 (12)

VIEW

So deep-rooted has become the belief that South Africa's neighbouring states have all suffered grievously from deliberately being destabilised by South Africa that any suggestion to the contrary has become virtually heretical.

Two British academics have taken a fresh look at the subject and have come to a conclusion that might be regarded as outright heresy by the most bitter critics of destabilisation.

"Destabilisation is simply unsustainable as a general characterisation either of South Africa's intentions or effects in the region," they say. They suggest the use of the term destabilisation in the southern African context has been "almost entirely polemical and propagandist".

Taking Botswana as a case example, they conclude that it adds some weight to the view that other states in the region cannot be seen as the helpless victims of Pretoria.

The academics are John Imrie, a PhD student at the London School of Economics and former Rotary research fellow at the SA Institute of International Affairs, and Dr Thomas Young, a lecturer in politics at the School of Oriental and African Studies of the University of London. Their views are expressed in an article in the latest International Affairs Bulletin, which is published by the SAIIA.

They point out that while South Africa has undoubtedly become "aggressively interventionist" in the affairs of its neighbours, often jeopardising the authority and stability of their governments, there has been no clear definition of either the term destabilisation or the objectives of the policy.

Imrie and Young note that destabilisation has variously been interpreted as "the creation (by South Africa) of a shield of instability" in

A new academic study has shone a fresh, cold light on the hotly emotive subject of South Africa's alleged destabilisation of neighbouring countries. It is summarised in this article by **GERALD L'ANGE** of The Star's Africa News Service.

the region; reducing the neighbouring countries to "broken-backed states" that can be forced into a Pretoria-dominated constellation; and the use by South Africa of its military and economic power to counter efforts by the ANC to use neighbouring states to destabilise South Africa.

Rather than accurately portraying Pretoria's goals, however, these definitions reflect the emotionally charged nature of research in the area, which frequently leads to sharply polarised positions, they say. They believe much of the literature on the subject is characterised

● That behind South Africa's activities is a co-ordinated plan reflecting complete consensus among the ruling elite.

Imrie and Young argue that while the guiding principles of apartheid that governed the minds of South Africa's rulers are dissolving, "the processes that explain it are ill-understood or under-researched".

The Botswana government's responses to South African pressure in the areas of security, refugees and the domestic economy illustrate its rising concern with national security issues and other potential threats, they say.

"Clearly, they are not indicative of either a 'broken-backed' state or one where the government's stability and hold on power is in jeopardy. Rather the measures are cautiously pragmatic, well-conceived, tested in experience and implemented by the Botswana authorities, not dictated either from outside forces or by crippling levels of internal dissent.

"It would appear then that Botswana has not been destabilised in any obvious sense by South Africa's activities, but explaining why this is so requires consideration of several factors frequently overlooked in the contemporary literature."

One is the relative strength of the Botswana state, whose institutions are respected even by opponents of the ruling Botswana Democratic Party and whose sovereignty is respected by the outside world (even by Pretoria despite its occasional violations of it).

Another is Botswana's economy, "generally among the healthiest in Africa and in better shape than South Africa's". The country had enough foreign reserves in 1988 to

## **'Taking Botswana as a case example, they conclude that it adds some weight to the view that other states in the region cannot be seen as the helpless victims of Pretoria.'**

by "unexamined and problematical assumptions". Some of these are:

- That destabilisation in southern Africa is unique.
- That without it the region would be tranquil and stable.
- That destabilisation continues to be South African policy, despite recent changes in policies and relationships.

pay for two years of imports, "clearly insulating the economy, to some degree, from the adverse effects of sanctions or South African economic manipulations".

In addition, Botswana's "ability to pay" appeals strongly to South African investors and manufacturers, Imrie and Young argue.

They say relations between South Africa and Botswana "demonstrate beyond dispute that there is no substitute for detailed analysis of the bilateral relations between South Africa and each country in the region".

"Destabilisation is simply unsustainable as a general characterisation either of South Africa's intentions or effects in the region. We are not seeking to prejudge here whether destabilisation is not a useful category in a taxonomy of state-to-state relations, but rather to suggest that its use in the southern African context has been (for understandable reasons) almost entirely polemical and propagandist.

"Secondly, the Botswana case adds some weight to the view that other states in the region cannot be seen as the helpless victims of the South African leviathan. South Africa has been successful in curbing the overt activities of the ANC in Botswana and in securing tighter restrictions on the activities of refugees just as other states in similar circumstances seek to do.

"But Pretoria has not been able to require Botswana to sign a formal non-aggression treaty. It has not been able to force Botswana to concede any legitimacy to the Bantustans. It has not been able to unravel the Botswana polity in the way it has been able to do in, say, Mozambique.

"It is our view that much of the responsibility for this state of affairs goes to the Botswana government, which has played a weak hand with considerable skill."

# ANC looks to Botswana's economy <sup>(12)</sup>

IAN HOBBS

GENEVA — Botswana's flourishing mixed economy has strongly influenced the ANC's new economic thinking, to be disclosed in a policy discussion document tomorrow.

Tito Mboweni, representing the ANC's economic department at the two-day World Economic Forum in Geneva, said the lessons the Botswana government had learnt and put to use were a glittering example for the Frontline states and post-apartheid SA.

The ANC had discarded the role of critic imposed on it while banned and was moving fast to contribute to a post-apartheid government.

He said the old bogey linking the ANC to rampant nationalisation was dead and buried.

He and the movement's delegation

in Geneva insisted it had an open mind on economic plans, but was firm that without political stability there was no possibility for a dynamic and prosperous economy.

Mboweni said he could not comment on the new ANC economic discussion document, which was the responsibility of Max Sisulu, head of the economic department in Lusaka.

But it was no secret that the ANC admired and respected Botswana's economic management.

He said the ANC was being advised on Botswana's socially responsible working relationship with the private sector, particularly the roles of government and the mining houses in the exploitation of mineral resources.

Mboweni said he had had "warm and civilised talks" with Anglo American and De Beers deputy chairman Nicholas Oppenheimer. They had agreed to meet often.

Noting that one of the strongest points made in Geneva, and one that all accepted, was that SA should not dominate the region economically, he said: "New arrangements must be made for regional tax union, for the SADCC and for the Preferential Trade Area must be mutually beneficial."

Mboweni said he had welcomed the presence in Geneva of the CP delegation led by Koos van der Merwe. "This is what it was all about: getting all sides together so everyone could realise the mutual potential... when we get rid of the political obstacles."

BIPAM 4/10/90

# ANC takes Botswana's lead for economic plan

CAP Tmt's 4/10/80

From IAN HOBBS

GENEVA. — Botswana's flourishing mixed economy has become a role model strongly influencing the ANC's new economic thinking, to be revealed in a watershed policy discussion document.

Delegates at the two-day World Economic Forum conference, which ended in Geneva on Tuesday night, said Botswana was "a jewel in the economic and political crown of thorns in Southern Africa" for others to emulate.

Mr Tito Mboweni, representing the ANC's economic department at the Geneva conference, said he could not comment on the discussion document, which was the responsibility of Mr Max Sisulu, head of the department in Lusaka.

But he said it was no secret that the ANC admired and respected Botswana's economic management.

He said the ANC was being advised on Botswana's "socially responsible" working relationship with the private sector, particularly the roles of

government and the mining houses in the use of mineral resources

Mr Mboweni said: "We have had extremely valuable discussions in Geneva on vital issues like Botswana's 50-50 arrangement with De Beers."

One very profitable result of coming to Geneva was "warm and civilised talks" with Mr Nicholas Oppenheimer, deputy chairman of the Anglo American Corporation and De Beers.

He said they had cleared up "misconceptions" and agreed to meet as often as possible to tackle mutual problems.

Mr Mboweni said he had welcomed the presence in Geneva of the CP delegation led by Mr Koos van der Merwe.

"This is what it was all about. Getting all sides together so everyone could realise the mutual potential for the region and South Africa when we get rid of the political obstacles.

"It was very interesting to note that Mr Van der Merwe was the only white man there who spoke an African language. He spoke Sesutu very elegantly. That says a lot to us."

11/10/90  
CMT TYP

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# SA men held after Botswana killings

**BOTSWANA** police swooped on an apparent Black Consciousness hideout south of Gaborone, arresting eight South Africans.

The arrests came after the grisly discovery of two bodies riddled with multiple gunshot wounds in a grave about two kilometres from the hideout.

Police said five people were arrested in the Lobatse hills, about 75km from Gaborone, last weekend. Two pistols were found in the hideout.

Three other "contacts" were picked up later in Gaborone, police said.

Those arrested claimed to be members of the Black Consciousness Movement of

Azania.

The two dead men were also South Africans and believed to be dissident members of the group. The bodies were found by police on October 6.

A statement from Botswana Police Acting Commissioner Norman Moleboge described the camp as a "spot resembling a hideout".

The Secretary for Political Affairs in the office of the presidency in Botswana, Mr Louis Selepeng, said there was no indication that the hideout had been a training camp.

The eight South Africans were not named, and no formal charges have yet been laid against them.

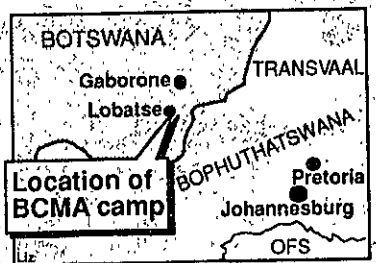
The names of the dead men have also not been released.

Sources in Gaborone said the killings were politically motivated.

Police arrested four other South Africans at Ramathabama border post on the same weekend for unlawful possession of arms and ammunition.

They appeared briefly in a Lobatse court and were remanded in custody pending investigations.

● The Botswana government has a long-standing policy of not allowing groups or individuals to use the country as a launching base for attacks on neighbouring countries. — Staff Reporter and Sapa



## Botswana <sup>(12)</sup> detains 10 S Africans

Star 11/10/90

GABORONE — Ten South Africans are believed to have been detained by Botswana police after the uncovering of what police called a Black Consciousness Movement of Azania training camp in Lobatse and the discovery of two bodies near the town.

Although they were detained last weekend, none of the South Africans has yet appeared in court, suggesting they may be held under immigration laws.

Acting police commissioner Norman Moleboge said the BCMA base was "a spot resembling a hideout" in Lobatse. The bodies, with multiple gunshot wounds, were found 2 km away.

The BCMA is not known to have been active in Botswana recently. The Pan Africanist Congress, with which it has links, has operated for some time but denies any link with guerilla training. — The Star's Africa News Service.

# BCMA hideout discovered in Botswana

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Soweto 11/10/90

**GABORONE** - Botswana police have uncovered a Black Consciousness Movement of Azania training camp about 75km south of the capital Gaborone, and arrested an undisclosed number of South Africans.

Sapa's correspondent reports the camp was discovered behind a hill in Lobatse last weekend.

A statement from Botswana Police acting commissioner Norman Moleboge described the camp as a "spot resembling a hideout".

During the search for arms caches police found two bodies with multiple gun-shot wounds in a grave about two kilometres from the hideout.

Sources in Gaborone said the killings were politically motivated. They suspected dissident members of the movement had been killed.

Police the same weekend arrested four other South Africans at Ramatlabama border post for unlawful possession of arms and ammunition.

They appeared briefly in a Lobatse court and were remanded in custody pending investigations.

The Botswana government has a long-standing policy of not allowing groups or individuals to use the country as a launching base for attacks on neighbouring countries.

Sapa.



# BCMA six fail to appear in court

*Sowetan* 12/10/90  
GABORONE - Six of the eight Black Consciousness Movement of Azania members arrested in Botswana on Sunday were yesterday due to have appeared in a magistrate's court for a remand hearing following the discovery of an alleged military camp and two decomposed bodies by the Lobatse police. ~~(12)~~ ~~(12)~~

They are facing charges of murder and possession of weapons of war. The other two BCMA members, who have not been identified, have not been charged, a Sapa correspondent reports. At the time of going to press we had not yet heard from our correspondent.

A Botswana police official said the BCMA members failed to appear in court yesterday. ~~(12)~~

Those facing charges are Nkutsou Motau, alias Skaap (27), Harrison Phiri (21), Louis Lebohang Koalane (23), Neville Thabiso Alexander (17), Nick Bell (29) and Bethuel Motaung (24). All gave addresses in Gaborone, except Alexander who submitted a Harare address.

Police said no information could be divulged before an investigation of the matter had been completed.

Earlier, the police announced that the members had been arrested after the discovery of a training camp of the movement 75km south of the capital of Gaborone at the weekend. - Sapa.

04 11

## 6 BCM men in Gaborone court

*Chap. Times 12/10/90*  
GABORONE. — Six of the eight Black Consciousness Movement of Azania members arrested in Botswana on Sunday appeared in a magistrate's court for a remand hearing yesterday, following the discovery of an alleged military camp and two decomposed bodies by the Lobatse police.

They are facing charges of murder and possession of weapons of war. The other two members were not charged, a Sapa correspondent reports.

Acting Commissioner of Police Mr Norman Moleboge said a large number of South Africans were arrested, but others were later released.

He said they recovered two pistols and 19 rounds of live ammunition on Sunday and some spent cartridges.

Mr Moleboge said the killings involving the discovery of the two decomposed bodies were politically motivated. — Sapa

# PAC cell smashed in bush raid

By HERMAN JANSEN  
Gaborone

THE arrest in Botswana of two separate groups belonging to South African liberation movements has sparked off fears of renewed terrorist infiltration into South Africa.

Botswana police deputy commissioner Norman Moleboge has denied a link between the arrest of the two groups, which were rounded up within hours of each other in a village near the South African border, a Lobatse mountain hideout and a "safe-house" in Gaborone.

But the Sunday Times can reveal that four men arrested this week near the Ramatlabana border post with South Africa for being in possession "of arms of war" are members of the Pan Africanist Congress.

Said Mr Moleboge: "During interrogation they told my men they belonged to the PAC."

**Serious**

The men were carrying three AK-47 rifles, 451 rounds of ammunition and 12 hand-grenades when they were arrested.

The names listed on the charge sheet are Mzimkhulu Bixa, 25, of Port Elizabeth; Aron Gqaga, 25, of East London; Lawrence May, 22; and Ratumelo Mokgotho, 35, of Bophuthatswana.

Three of the men made brief appearances in court and are still in custody.

Meanwhile, the second-in-command of the ultra-militant Black Consciousness Movement of Azania was arrested in another swoop by Botswana police after the discovery of a BCMA "hide-out" near the South African border.

Nkutsoe "Skaap" Motsau, 37, secretary of defence in the central committee of the BCMA and its military wing Azania, was arrested in a Gaborone "safe-house" with



HIDEOUT ... teacher Sandile McBrian-Mpughose in the 'safe-house' where Botswana police arrested two BCMA members Picture: GARTH LUMLEY

a group of other South African exiles last weekend.

Motsau, who grew up in the Free State and left South Africa in 1983, appeared briefly in the Gaborone Magistrate's Court on Thursday in connection with the murder of two BCMA members.

South Africans Tsekane Seepa and Sizwe Dlamini were killed during in-fighting within the movement. Their bullet-riddled bodies were found in graves near a secret camp in the Lobatse hills.

The other men held in connection with the killings have been named as Harrison Phiri, 21, Louis Koalane, 23, Neville Alexandra, 17, Nick Bell, 29, and Bethuel

Motaung, 24 — most of whose addresses were given as a "safe-house" in Partial location in Gaborone.

The six are in custody and will appear in court again on October 25.

But Mr Moleboge played down the significance of the discovery of the secret camp.

"I would rather call it a hide-out in the area where these people had been staying. Some were arrested there," he said.

"We found three handguns, 19 rounds of ammunition, sleeping bags and eating utensils. There were no buildings — they used a depression in a cliff."

Fifteen BCMA members

and sympathisers were originally rounded up for questioning about the killings.

One of the men detained for four days, but later released, was Sandile McBrian-Mpughose, 26, a Gaborone teacher.

Mr McBrian-Mpughose, a former "resources person" for Azapo and a "language adviser" to the BCMA, said only Mr Motsau and Mr Motaung were arrested at the safe-house.

A spokesman for the BCMA in Harare said yesterday the movement viewed the arrests in a "very serious light" and BCMA leaders were already in Botswana seeking clarification.

## 11 charged in Botswana killing

# Cadre slayings: BC man 'not involved'

12

Sowetan  
5/11/90

**BLACK** Consciousness Movement of Azania defence secretary Mr Nkutseou "Skaap" Motsau, who is being held and charged by Botswana police for the deaths of two cadres near Gaborone, was not involved in the incident, the BCMA said last week.

Speaking to *Sowetan* in an exclusive interview in Harare, Zimbabwe, BCMA chairman, Mr Mosibudi Mangena, said Motsau was arrested in a house in Gaborone when Botswana police raided houses occupied by the organisation's members.

Eighteen people were arrested, of which 11, including Motsau, have been charged with murder, possession of weapons and ammunition,

By **MATHATHA TSEDU**

he said.

Mangena said Botswana police had informed the BCMA that Motsau was being held because he was head of the military wing, the Azanian National Liberation Army (Azanla).

### Details

On the deaths of the two cadres, Tsakane Seepe and Sizwe Dlamini, Mangena said the BCMA did not have full details as yet of what had happened.

He expressed his and the organisation's grief and condolences to the families of the two and added that the families had already been contacted and had taken news of the tragedy in a "revolutionary spirit".

He confirmed that a group of Azanla cadres

had been camped in the Lobatse mountains where the two bodies were found in a shallow grave.

He said his organisation held no hostile intentions against Botswana and its people.

"We trust that the Botswana government and its people will take it in that spirit and accept that the fact that those found in the mountains did not fight back is indicative of the fact that no harm was intended against the Botswana government and its people", he said.

The eleven charged include Harrison Khotso Phiri (21), Louis Khotso Phiri (23), Neville Thakiso Alexander (19), Nick Bell (29), Bethuel Motaung (24), Vusumuzi Lawrence Thabethe (23), Welcome Rappodile (21), Robert Ndebele (20), Vuyo Collin Masenya

(19) and Plaatjie Corley Mashego (24).

They all appeared in the Gaborone magistrate court on October 25 and the case was postponed to Thursday.

*9/11/90*  
**R10m deal for Botswana bank**

GABORONE — The Bank of Botswana has signed a contract worth about R10m for the construction of a four-storey building. The bank was experiencing an office accommodation shortage. *(12)*

## Botswana plans <sup>(12)</sup> R680m airbase

TIM COHEN and LINDEN BIRNS

THE Botswana government plans to build a huge new airbase north of Gaborone at a cost of about R680m, a well-placed construction industry source said yesterday.

Eleven tenders for the construction contract have already been received by contracting engineers Sir Alex Gibbs and Partners. *blom 9/11/90*

Spie Batignolles, the French company which built the Koeberg power station and which in the past has subcontracted to SA construction company LTA, has submitted the lowest tender.

For security reasons, none of the SA construction companies' tenders is being considered.

The airbase construction, codenamed Project Eagle, will include a housing complex for personnel, a community centre and sport facilities.

Although the contract has not yet been awarded, construction on the airbase will begin next year.

The project will replace an existing base situated outside Gaborone. Its replacement is considered necessary because of the danger to civilians and the poor conditions under which personnel are currently working.

Jane's Defence Weekly local correspondent Helmoed Romer-Heitman said last night Project Eagle was not just an airfield but the construction of a full-scale military

To Page 2

## Airbase *blom 9/11/90*

base.

The Botswana Air Force comprises 26 aircraft, mostly light attack and counter-insurgency types, with their squadron of ex-Kuwaiti and RAF Bac-167 Strikemaster ground attack jets — similar to SA's Impala fighters — currently operating from Gaborone airport.

"Botswana's air force is not big enough to be regarded as important or with major concern," Romer-Heitman said.

He agreed it would make "good financial sense" for Botswana and Namibia to combine their resources and create a joint air

<sup>(12)</sup> force in the region, but did not think they "liked each other enough" to pull it off.

"It could be sticky as Botswana is arch-capitalist and Namibia arch-socialist in outlook," Romer-Heitman said.

Earlier this year a team from British Aerospace (BAe) visited Namibia and is believed to have visited Botswana. A BAe spokesman at the time said the company was interested in attracting customers for its air defence products.

These include strike and reconnaissance aircraft and airfield maintenance and defence systems.

From Page 1

# Industry to tap waters of Okavango

17/12/90  
12

## The Argus Correspondent

JOHANNESBURG. — The 20-year battle to save Botswana's famous Okavango Delta from being tapped for industrial purposes has been lost.

The Botswana government intends extracting water from the swamps which constitute one of Africa's richest wildlife areas.

The water will feed De Beers' diamond mine at Orapa, the town of Maun and some small irrigation schemes and wildlife areas. Work will begin "almost immediately".

Many people in Maun are angry about the 40 km channel and claim it was planned in secret.

The director of Water Affairs in Gaborone, Mr Moremi Sekwale, told me there was never any secret and that informative public meetings had been held in Maun.

He said the channel from the swamps would be only 1m deep and flow at a rate of 1 m every three seconds. "It is not a canal, merely an improved channel."

## ABOVE AVERAGE RATE

The channel will not be concrete lined and, apart from being shallow will have a base 3 m wide and a rim 23 m wide so it will not trap animals which, he said, will treat it as a natural stream.

During years that the natural river which drains the swamps is flowing at an average or above average rate the channel's supply will not be needed. During drier years the scheme's four reservoirs, will be used to provide an assured supply for Orapa and other developments south of the swamps.

Mr Sekwale said there would be no clearing of trees and he doubted people would notice any scenic or ecological differences.

"We called in top overseas experts to do an independent environmental impact analysis and we asked them to look at the tourist aspect. Their report is available to the public in our offices at Gaborone.

## GEOLOGICAL FAULT

"There is no question of us felling trees or draining the delta."

The area accommodates some of Africa's last great herds of buffalo, elephant and other animals.

The 16 000 sq km delta — the biggest inland river delta on earth — is created by the Okavango River, Southern Africa's second biggest river after the Zambezi. The river dams up behind a geological fault. In prehistoric times it flowed into the Limpopo. Now it spreads out over the Kalahari.

Only 3 percent of the Okavango flows out at the southern end, the rest evaporates or sinks into aquifers.

Mr Sekwale said he did not anticipate an adverse international reaction.

Botswana had not applied for the Okavango Delta to be listed as a world heritage wetland under the recent Ramsar agreement.

# Okavango scheme 'will help farmers

Star 5/12/90

By Dawn Barkhuizen  
Star Africa Service

(12)

**GABORONE** — Thousands of drought-stricken farmers and not a dry diamond mine — prompted the Botswana government to launch a R50 million dredging operation in the Okavango Delta, a Botswana government official said yesterday.

Stoutly defending the scheme to dredge a 40 km stretch of the Boro River and build two dams, Botswana's director of Water Affairs, Moremi Sekwale, yesterday said damage to the swamp would be limited but the benefits would be great.

The project has invoked the wrath of conservationists who regard it as the beginning of the end of one of Africa's last wilderness areas.

Mr Sekwale acknowledged that the Orapa diamond mine would get the water they need

ed to keep operating — but this would amount to a sixth of the water generated by the scheme.

More than 60 percent would feed the thousands of subsistence farmers downstream who had been without water for eight years.

"If the situation is left as it is, we will be forced to move the swamp's boundary fence deeper into the swamp to allow farmers and cattle to get to water and grass," he said.

## Fears

Mr Sekwale disputed figures from the Botswana Land Usage Planning Unit that 600 sq km of virgin swamp land would be impacted. The affected area would at no stage be greater than 60 sq km, he said.

The project — which would artificially raise the banks of the river by 70 cm and deepens it by a metre, would affect only the nearby flood plains during low rainfall periods, he said.

He dismissed fears that the

dredging was tantamount to pushing a drain into the Okavango. "The swamp basically comprises a series of pockets that feed each other until all are full. There is no chance of a widespread suck-down draining the entire swamp."

While there would be some disturbance during construction, Mr Sekwale said the passage of heavy vehicles would be restricted and a conservation officer would supervise the cutting down of trees and foliage. He did not envisage that any animals would be harmed.

Replanting would begin immediately.

Fears by conservationists that construction would set a precedent for more development in the delta should weigh against the fact that a government gazette had been passed prohibiting this, he said.

He added that extending the scheme would require dredging from a point 150 km up-river, deeper into the delta.



y December 6 1990

# Farmers to benefit from swamp drain

Sowetan 6/12/90

(12)

**GABORONE - Thousands of drought-stricken farmers - and not a dry diamond mine - prompted the Botswana government to launch a R50m dredging operation in the Okavango Delta.**

Stoutly defending the scheme to dredge a 40km stretch of the Boro River and build two dams,

Botswana's director of Water Affairs, Moremi Sekwale, said damage to the swamp would be limited, but the benefits would be great.

The project has invoked the wrath of conservationists who regard it as the beginning of the end of one of Africa's last wilderness areas.

Sekwale acknowledged that the Orapa Diamond Mine would get the water they needed to

keep operating - but this would amount to 16 per cent of the water generated by the scheme.

More than 60 would feed the thousands of subsistence farmers downstream who have been without water for eight years.

"The mine is not a determining factor. The main objective is rural development. If the situation is left as it is we will be forced to move the swamp's boundary fence deeper into the swamp to allow farmers and cattle to get to water and grass," he said.

## Disputed

Sekwale disputed figures from the Botswana Land Usage Planning Unit that 600 sq kilometres of virgin swamp land would be impacted.

The affected area would at no stage be greater than 60 sq km he said.

The project - which artificially raises the banks of the river by 0,7m

and deepens it by one metre, would only effect the nearby flood plains during low rainfall periods, he said.

He dismissed fears that the dredging was tantamount to pushing a drain into the Okavango.

"The swamp basically comprises a series of pockets that feed each other until all are full. There is no chance of a widespread suck-down draining the entire swamp."

While there would be some disturbance during construction, he said the passage of heavy vehicles would be restricted and a

conservation officer would supervise the cutting down of trees and foliage. He did not envisage that any animals would be harmed.

Replanting would begin immediately.

Fears by conservationists that construction would set a precedent for more development in the delta should be weighed against the fact that a government gazette had been passed prohibiting this, he said.

In addition, extending the scheme would require dredging from a point 150km up river, deeper into the delta he added. - *Sowetan Reporter*

Nature lovers talk of sabotage

# Row erupts over plan to dredge river

Start 8/12/90 (12)

MAUN — War is about to break out in the Okavango.

Fierce conservationists, determined to save what they regard as one of Africa's last remaining wildernesses, have threatened to "go to any lengths" to stop the Botswana government dredging a 40 km stretch of the Boro River.

Maun-based nature lovers this week threatened to sabotage construction equipment should the scheme at the base of the delta go into operation next month.

In another development yesterday a spokesman for diamond giant De Beers categorically denied the mine wanted water from the Okavango Delta dredging scheme.

A De Beers statement yesterday said the Botswana government had decided on the first phase of the Okavango water scheme — to supply water to the communities in the Maun area — but De Beers was not aware of any decision to proceed with the second phase, which would give it water.

But Botswana's Land Usage Planning Unit officer Lejo van der Heiden told the Saturday Star the project was aimed primarily at supplying the Orapa mines with water — without which they would ultimately face closure.

## Save the swamps

Botswana Water Affairs Minister, Moremi Sekwale said, while the scheme was aimed mainly at supplying water to thousands of drought-stricken subsistence farmers, about 16 percent of the water collected would feed the diamond mines, jointly owned by the Botswana government and the Swiss-based De Beers Centenary Company.

An international controversy has erupted over the intention to dredge the river, and environmental pressure group Greenpeace is considering launching a world-wide campaign, called Diamonds are for Death, to save the swamps.

Environmentalists have been shocked by the decision by the Botswana government to dredge the Boro River, especially in the light of the fact that the government adopted a United Nations-devised national conservation strategy last year.

**DAWN BARKHUIZEN  
and JACQUELINE MYBURGH  
Africa News Service**

And, he said, there would be improved breeding for fish in the dams, an ecologist would supervise the cutting down of trees and access of heavy vehicles into the swamp during construction would be limited.

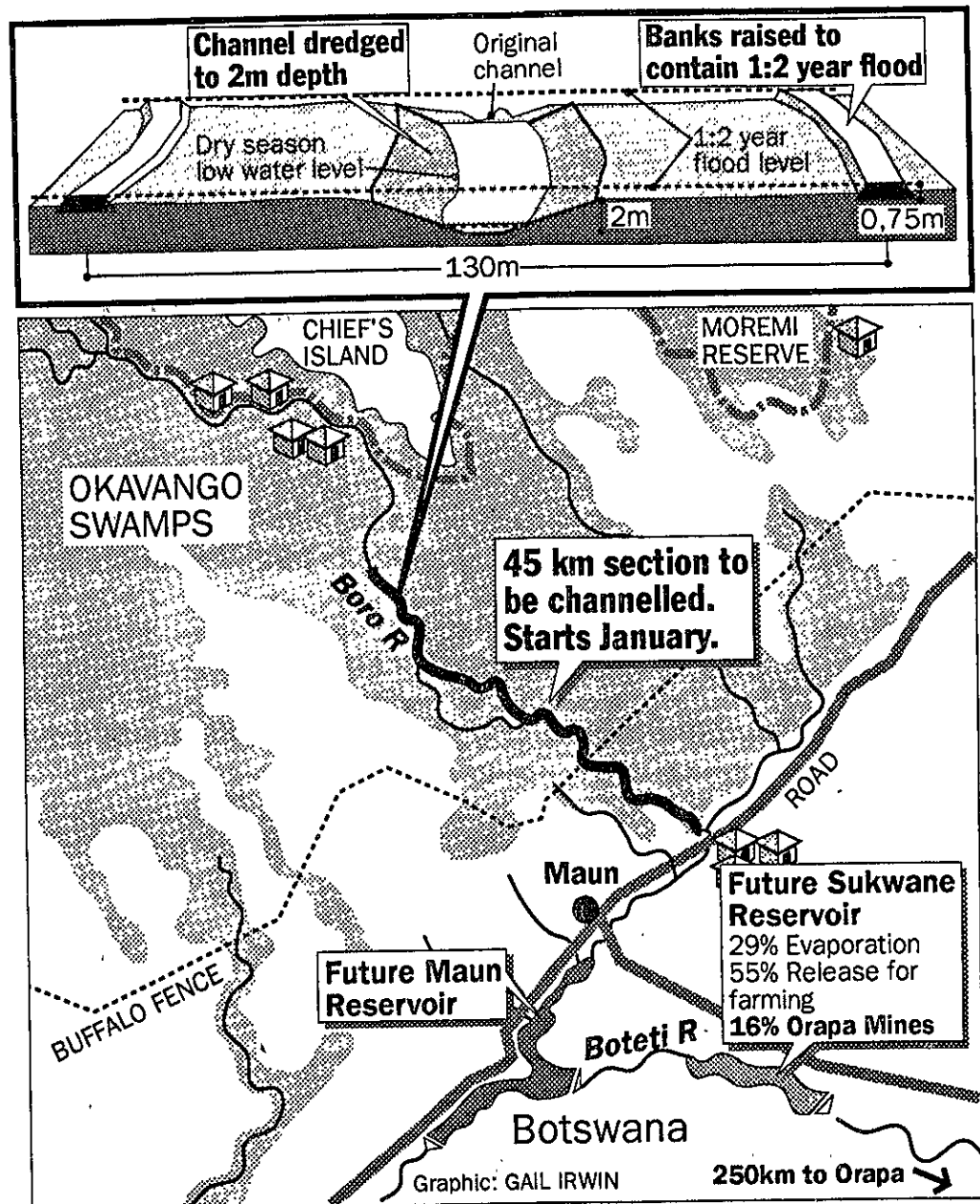
The Boro River would be deepened by 1 m and the banks raised by 0,7 m — effecting the area only in extra-ordinarily dry seasons, he said.

Mr Moremi argued that the scheme was being implemented in the interests of conservation. If it did not go ahead the Botswana authorities would be forced to shrink the swamp by moving the buffalo boundary fence deeper into the swamp to allow farmers access to water.

Maun-based ecologist Dr Karen Ross said the damage caused to the swamp by dredging would be irreparable. The eventual draining of the Okavango and tampering with its ecological balance could impact other sections of the swamp.

While Dr Ross and many other conservationists have no argument with plans to build two dams beyond the swamp, they believe the government has not investigated all alternatives to dredging.

Mr Sekwale, however, said there would be minimal damage. He disputed Mr van der Heiden's estimates that 600 sq km would be effected, setting the figure at no more than 60 sq km.



**SCENE OF THE BATTLE:** Environmental pressure group Greenpeace is considering launching a worldwide campaign to prevent the Botswana government from dredging the Boro River.

# Botswana Press is still shackled

12

CAPRES 9/12/90

**T**HE emergence of a sixth English language newspaper in Botswana, with the promise of two more to serve this nation of one million people, has confirmed the print media's significance.

More than 65 percent of Botswana's people are illiterate or only able to sign their names. Of the rest, 10 percent read but do not necessarily discriminate between competing ideas.

Newspapers are aimed at the remaining 25 percent that has benefited from a diamond-led boom and the nation's emergence as a business and finance centre for the nine nations making up the Southern African Development Co-ordination Conference (SADCC). As the reading public gets richer, its opinions carry more weight and this has been worrying the ruling Botswana Democratic Party.

Party officials say they are democrats and advocates of freedom of speech. Yet there have been ominous warnings against Press criticism of government.

The mailed fist under the velvet glove was revealed during the 1989 elections, which many officials thought could be swayed by the newspapers. At that time, Assistant Minister of Agriculture Geoffrey Oteng said he would call on all businesses to stop supplying advertising to papers critical of the government.

Four other ministers, including government military strongman Lt-Gen Mompoti Merathe, have all made it clear that Press freedom exists at the mercy of the government.

But with the fastest growing economy in Africa, Botswana is more likely to be a magnet for publishers aiming to cash in on the advertising boom that usually accompanies commercial expansion. This, together with the lack of a mass readership to back controversial journalism, means the government should have little to worry about.

As tabloid follows tabloid on to the news stands, the trend to drabness has intensified with each paper singing variations of praise songs to the powerful.

New papers are playing safe by tying their hopes to business and government.

The latest weekly, *Newsline Africa*, came to life in September with 70 percent of its columns devoted to advertising and most editorial space focused on business.

One typical issue featured a double-page spread headed "Diamonds are Botswana's best friends".

Botswana may be noted for democratic traditions, but the subtle threats of government seem to be making sure that the emerging print media keep well within the boundaries of the economic and political status quo. — AIA

# Court is told of bid to free SA agents

12

Sowetan 11/12/90

GABORONE - A former Botswana police officer, Kobakile Matere, has gone on trial here charged with obtaining information on South African prisoners being held in Botswanan jails.

The prisoners are Theodore Hermansen, Johannes Basson and Lennox Magubane, as well as Englishman, Steve Burnett - all allegedly South African agents and all serving long-term sentences at Gaborone

Central Prison.

According to the police charge sheet the aim of obtaining the information was to assist in arranging the rescue of the men.

## Money

Prison warden Charles Ramatswili told the court the accused approached him and offered him money to assist in rescuing the men by drawing plans of their location in the prison and by taking

impressions of prison keys.

The accused allegedly said he was working in collaboration with South African intelligence officers who would like to rescue the men.

Ramatswili told the court he reported Matere's proposals to his seniors who advised him to co-operate.

The case has been postponed to December 19. - *Sowetan Africa News Service.*

# Botswana links up with US gem dealer

S/Times 16/12/90

**BOTSWANA** is moving quickly to give itself more independence from De Beers and its worldwide marketing arm, the Central Selling Organisation.

The Botswana Government has tied up a deal with the biggest diamond-cutting and polishing operator in the US, Lazare Kaplan Inc, to establish a 60-million-pula plant to enhance the value of its gem production.

The move follows hard on the heels of an agreement with Debswana, a 50-50 venture with De Beers which controls the country's three diamond mines, to build a big cutting and polishing plant at Serowe.

Debswana controls Teemane Manufacturing Company, which will start in-service training of the first of an expected 500 skilled workers in the diamond-finishing industry. Total investment will be more than P6-million.

Lazare Kaplan's more ambitious project will also employ about 500 people, boosting the Botswana Government's policy of creating down-the-line employment from the exploitation of mineral wealth.

Botswana's permanent secretary at the Ministry of Minerals Resources and Water Affairs, Moses Lekaukau, confirms that the Government wants to open its own "window" on world diamond markets by selling a proportion of its stones directly.

## Efficiently

He says: "Botswana has no plans to set up its own marketing operation because we still have confidence that the CSO offers the best way to market our diamonds.

"We are only interested in establishing a facility that could give us a eye into the market so as to understand changes from time to time."

A De Beers and Botswana Government sub-committee has been set up to investigate ways in which Debswana can be made less reliant on De Beers and Anglo American for skilled personnel and "take more responsibility for its own affairs".

Minister of Mineral and Water Resources Archie Mogwe says: "Our requirement is that Debswana continue to operate as efficiently as it has done, but that it should depend less on employees of other companies and should train Botswana for a future self-sufficient management."

The deal with Lazare Kaplan gives the Botswana Government the right to take a 15% stake in the company. It will also give it an independent view of world diamond markets.

Both of the new cutting and polishing operations will draw their raw materials from CSO stocks in spite of initial hopes that at least some of the stones would

By IAN SMITH

come directly from Botswana's production.

Diamond experts believe it is not a good time for Botswana to rock the boat in spite of the fact that its five-year agreement to sell all stones through the CSO will come up for renewal early next year.

## Equipment

The pipeline through dealers and processors is heavily stocked and the prospect of world economies in decline next year threatens demand.

"It's a bad time for Botswana to seek the right to sell stones on its own account. It will be hard to beat the CSO at its own game," says a Johannesburg analyst.

Diamonds accounted for 75% of Botswana's foreign revenue last year and the

country provided 60% of De Beers' output of nearly 25-million carats.

Debswana and Lazare Kaplan were two of many bidders for rights to process diamonds in Botswana. There was no surprise that Debswana, with the Government's 50% holding, won.

Lazare Kaplan's contract does, however, give Botswana another link to the world outside De Beers and the CSO.

Lazare Kaplan signed a contract last year with Angola to buy high-quality rough stones worth \$20-million a year. It sells rough as well as cut and polished stones in the US.

Chief executive Maurice Tempelman says the Botswana plant will use automated and manual equipment.

Debswana's Teemane operation will go into serious production in 1992, and the Lazare Kaplan plant will follow shortly afterwards.

BOTSWANA - GENERAL

1991

# Contract row hits soda ash project

(KPS) (12)  
S/Times  
(13w/1T)  
25/8/91  
(SS)

By **DON ROBERTSON**

**CONTRACTUAL** disputes involving Soda Ash Botswana's Sua Pan project and major contractors could delay the build-up to full production of the R920-million plant.

The latest disagreement involves Siemens, which has contracts worth about R7-million.

Siemens general manager Roelof van Ark says it was hoped to resolve the matter at a meeting last Friday, but this was not possible.

## Stake

Mr Van Ark says that in international contracts of this nature, disputes "are a normal course of events".

"Our technical know-how strictly followed these guidelines and we are sure that once normal business issues have been settled, the alleged

non-payment will no longer be an issue."

AECI has a 26% stake in the project and Anglo American holds 25.5%. The balance is held by the Botswana Government.

Mr Van Ark says the scope of the project changed during construction and the contract value is now larger than originally specified.

When in full production Sua Pan it will produce 300 000 tons of soda ash and 650 000 of salt a year. In the past, soda ash has been imported.

AECI says construction involves hundreds of contractors and it is inevitable that contractual disputes arise, usually through misunderstandings and departure from the terms of contracts.

Soda Ash Botswana is not immune from such disputes, says a company spokesman.



## R1,3bn soda ash project launched

47816191 (12)  
SOWA, Botswana. — A R1,3bn soda ash and salt project opened in Botswana by President Quett Masire on Friday was an example of the inter-dependence developing between the states of Southern Africa, Foreign Minister Pik Botha said here yesterday.

The project, which came into effect on March 30, is a joint venture between the Botswana Government (48%), AECI and its partners, the Anglo American Corp and De Beers Holdings (52%). It is the biggest industrial project in Botswana.

"Sua Pan Plant is an example of co-operation of countries, people and a broad range of industries," said Botha.

"These words can be applied to the role of Southern Africa. The new plant is an example of inter-dependence of all people of Southern Africa.

"Botswana has the source, SA will buy the product."

Soda ash is used in glass manufacture, metallurgical applications and chemical manufacture. The plant will also produce salt.

Masire said the project would contribute 10% of Botswana's national export earnings. SA would be the main market. This would "improve the trade balance between us," he said.

AECT chairman Gavin Relly said with the rapidly changing political scene in central and Southern Africa, the project indicated the "benefits that can accrue through regional co-operation". — Sapa



## Botswana's soda ash factory goes into production

Finance Staff *Star 11/4/91*

The first soda ash was produced in the new Soda Ash Botswana factory at Sua Pan, Northern Botswana over the weekend.

Commissioning the plant began three months ago.

After extensive safety and

systems testing, the product is now being successfully produced.

It is expected that the factory will be brought up to full production capacity in April.

When fully on line, the factory will employ 550 people. It

has the capacity to produce 300 000 tons of soda ash and 650 000 tons of salt a year.

Soda Ash Botswana is a joint venture between the Government of Botswana (48 percent of the equity) and AECI and its partners, Anglo American and De Beers Holdings, (52 percent).

12

## Soda ash plant nearly on line in Botswana

ROBERT LAING

12

SODA Ash Botswana's Sua Pan plant should begin production by early April.

The plant's first soda ash stream is mechanically complete and has been handed over to commissioning and operational personnel for testing and start-up trials, says AECI spokesman Fulvia Putero.

The Botswana government holds 48% equity in the R1,3bn project while AECL, De Beers and Anglo American hold the rest. Sua Pan, in the Makgadikgadi depression, is estimated to be one of the richest soda ash resources in the world.

The second soda ash stream should be ready for commissioning by mid-March. Once fully operational at 180 000 tons annually, the plant will start selling after it has built up an adequate buffer stock of soda ash in its bulk store at site and in Johannesburg and Durban. Each storage facility will have a capacity of 20 000 tons. *blom 28/2/91*

The salt harvesting, washing and processing plant should be commissioned by the end of April. The site's 1 400 workforce will soon diminish as the plant nears completion, says Putero.

Sua Pan's infrastructure is making good progress. A new 40km road between Sua and the Francistown-Nata route is under construction and tarring of the 17km road between the plant and Sowa Town has commenced. The 175km rail link to Francistown is also nearing completion.

The first phase of the Sowa Town development consists of 605 houses and townhouses. The town's shopping centre should be completed by the end of May. Soda Ash Botswana is recruiting staff and families are moving to Sowa Town as houses become available.

# Beef barons threaten the Okavango

W/Head 11/11-17/1/91 (12)

Botswana's famed Okavango Swamps are under a twin threat from dredging of the area and encroachment by cattle, reports

**EDDIE KOCH**

**M**AD cow disease, one of Europe's environmental maladies of the 1990s, could trigger an ecological disaster in Africa if Botswana's beef barons go ahead with plans to colonise the Okavango Swamps for cattle ranching.

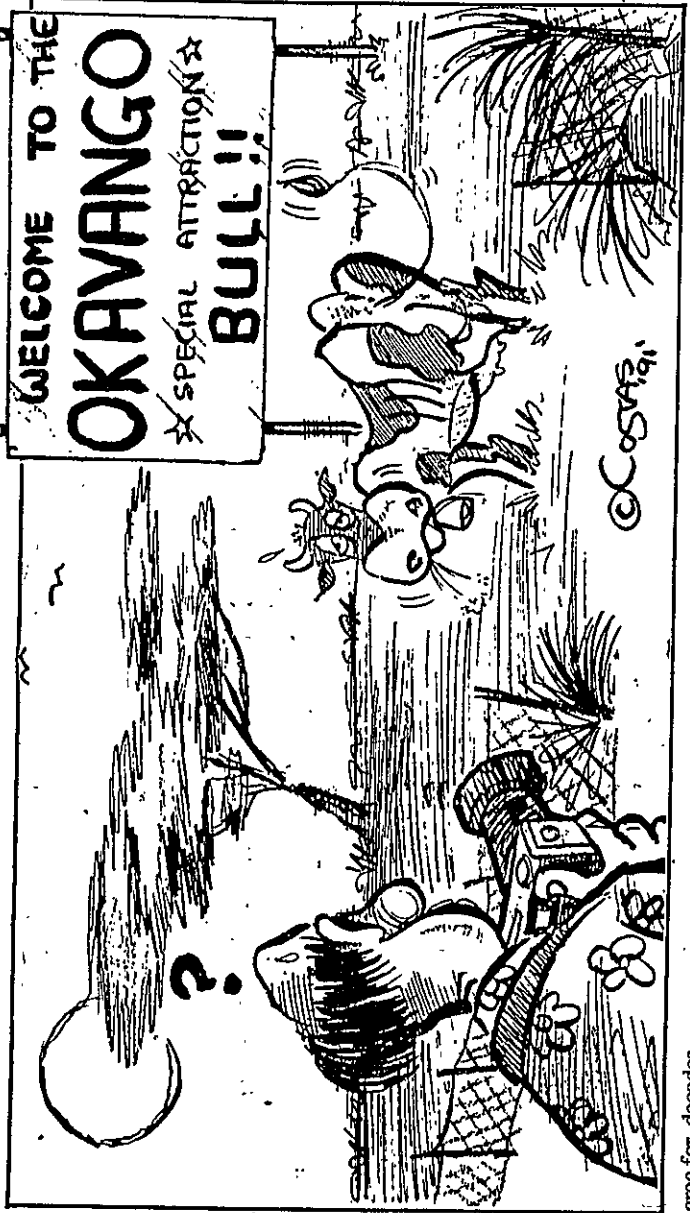
Bovine spongiform encephalopathy, known as "mad cow" disease for the strange behaviour it induces in animals, has killed more than 16 000 cattle in England alone and created an increased demand in Europe for uncontaminated meat.

The Botswana government appears determined to take advantage of this demand by opening up large sectors of the Okavango Delta for cattle farming.

This month it pressed ahead with two controversial schemes — the construction of a game fence along the headwaters of the delta in the north and dredging of the swamps for agriculture in the south — causing an international outcry and sparking massive domestic opposition to the ruling Botswana Democratic Party.

The Okavango, an inland delta of intense beauty in the middle of the Kalahari desert, hosts some 300 species of rare animals and is the only wetland of its kind. Regarded as one of the world's most treasured heritage sites, it has so far been protected from the powerful lobby of beef farmers that make up Botswana's ruling elite.

But now the cattle ranching industry is determined to exploit the water supplies and fragile pastures of the Okavango. A massive pesticide spraying programme has eradicated tsetse fly, which kept domestic animals out of the



area for decades.

Conservationists say the beef industry has caused overgrazing and desertification on a vast scale in most parts of the country and the delta is the only area available for it to expand into.

The fence will kill thousands of wild animals, conservationists say, by cutting their access to the swamps during the current dry season. It will also allow domestic animals into a 100km stretch of extremely sensitive Okavango territory and could threaten the future of the delta itself.

Botswana has already built some 1 600km of game and veterinary fences to meet the European Community's requirement that the 20 000 tons of beef imported from Botswana every year not be contaminated by foot-and-mouth disease carried by wild animals.

The fences have, however, killed tens of thousands of oryx, hartebeest, wildebeest, giraffe, springbok, zebra and

eland who kill themselves by running into the wire or die from exhaustion as they run the length of the barriers in a desperate attempt to reach their traditional water supplies.

"A survey in December 1983 (in one part of the country alone) counted 50 000 dead wildebeest; and the stench was so great that at one point attempts were made to collect the bodies and burn them in a great bonfire," says one report. "That funeral pyre could well be the cenotaph of the Kalahari wildebeest; a monument to a vanished species."

Botswana's population of 300 000 Kalahari wildebeest has been decimated over the past decade and now stands at just 1 000.

The second scheme involves an attempt to dredge the Boro River so that some 250-million metres of water can be drained from the southern end of the delta and made available to farmers and

the De Beers diamond mine at Orapa. Construction of the R30-million project will be undertaken by South African company LTA.

"The ecosystems of the swamps derive their rare characteristics from the fact that the delta is a large, flat and shallow expanse of water. Dredging is an uncontrollable process that will inevitably lead to a drop in the water-level leading to unavoidable damage," an international expert on the Okavango Delta told *The Weekly Mail* this week.

The conservationist, who asked not to be named at this stage as he is involved in negotiations to conduct an environmental impact study of the scheme, said it was possible to harness the water of the delta for industry and protect the ecology at the same time by using a controlled pump and storage system.

Greenpeace is spearheading an international drive to oppose the game fence and the dredging project and plans to

W/Head 11/11-17/1/91 (12)  
send a powerful team of investigators into the area within weeks.

Members of the Batwana tribe are also up in arms about the scheme. They say they were never consulted properly about the project and Archie Mogwe, Botswana's Minister for Mineral and Water Affairs, is due to fly into the town of Maun today for a crisis meeting or "kgotla" to discuss the controversy.

Anglo American has been implicated in the growing scandal because it has two companies, De Beers and LTA, that stand to benefit from the operation. But De Beers representative Neville Huxham said its Orapa mine has developed wellfields from nearby underground water supplies that could supply the mine for its lifetime.

He said the decision to dredge the delta was made by the government and the corporation had no control over the scheme. However De Beers was prepared to help explore less damaging methods of harnessing the economic potential of the delta's water supply.

Botswana's beef barons form a powerful ruling class that has been blamed for intensive degradation.

President Quett Masire owns large herds. His brother, Peter, is said to be the second-biggest rancher in the country. Beef ranchers are exempt from paying taxes to the treasury.

Ove Nielsen, chairman of the Botswana Meat Commission, reflected the sentiments of many members of this "beefocracy" when he said the government should promote cattle ranching instead of maintaining the country as "a gigantic zoo" for the benefit of tourists and international conservationists.

Five opposition parties, which plan to unite in a merger under the leadership of the Botswana National Front this year, are emerging as powerful opponents of the ruling party and are poised to mobilise increased support around the environmental controversies.

# Brain behind the drain?

By KEN VERNON 12  
Star Africa Service

**A**S CONTROVERSY mounts over the Botswana government plan to draw water from the Okavango swamps, there is uncertainty about the purpose of the project and even about who wants the water.

According to a government-sponsored environmental impact study, the main purpose of the plan to take water from the ecologically fragile delta in northern Botswana is to supply water to the De Beers-controlled Orapa diamond mine.

But De Beers, who are equal partners with the government in Orapa, say they do not need the water and want nothing to do with the scheme.

International environmental groups are threatening a worldwide diamond boycott if the project goes ahead.

The government seems determined nevertheless to press ahead with the scheme.

Environmentalists in Botswana are conducting a domestic campaign against the plan and are encouraging overseas

Star 11/11/91  
"greens" to bombard the Botswana government with threats in order to force it to abandon the scheme.

They say the scheme will degrade more than 600 sq km of wetland, a claim disputed by the government, who say only 60 sq km will be affected.

The government also says it has appointed an ecologist to oversee the project.

According to a report by the Australian-based Snowy Mountains Engineering Corporation (SMEC), which investigated two dozen different schemes to draw water from the Okavango, "all of the alternative schemes considered assume the existence of Maun reservoir and are directed towards improving the surface water supply to Orapa in dry years".

The Botswana government has said that the main purposes of the scheme are to provide water to farmers and ranchers in northern Botswana as part of a "self-sufficiency" scheme and to guarantee a supply to the town of Maun.

However, the SMEC report contradicts both ideas.

It says the soils in the area are too poor to support any farming without constant watering and the supply of all nutrients needed crops.

The report finds that the cost of irrigation, transport, fertilizer and other factors means that an outlay of R600 000 on a 100 ha irrigated farm would return less than 5 percent profit, while increased running costs on larger units would mean no profit at all.

It also partially contradicted government assertions that the scheme was necessary to provide water for Maun.

The report also contradicts De Beers' assertions that it has plenty of water, pumped from boreholes, for Orapa's needs. De Beers engineers are said by the SMEC to have vastly overestimated the area's ground water reserves.

The SMEC study concludes that if the scheme to tap the Okavango is not implemented, the provision of water will cost De Beers an additional R100 m over the working life of the mine — provided it could stay operational. □

**JOHANNESBURG.** — South African diamond giant De Beers has become involved in an ecological slanging match with the Botswana government over a plan to use water from the Okavango swamps.

The controversial plan to siphon water from the ecologically fragile swamps in northern Botswana has been designed, according to a government-sponsored environmental impact report, to supply water to the De Beers-controlled Orapa diamond mine.

But De Beers, equal partners with the government in Orapa, say they do not need the water and want nothing to do with the scheme to siphon it.

Cynics might believe the De Beers stance is the result of a threatened "Diamonds are for Death" campaign being orchestrated by international environmentalist groups against the diamond giant if the Okavango scheme goes ahead.

But despite a similar threat to include the Botswana beef industry in the "death" tag threat, the government seems determined to press ahead with the controversial scheme.

This week the Botswana Minister of Water Affairs, Mr Archied Mogwe, addressed a traditional "kgotla" (tribal chiefs) meeting in Maun to explain the scheme to irate leaders who complain that they have not been consulted by the government over the scheme, which could have a major impact on their farming and cattle-ranching.

Furious environmentalists in Botswana are also lobbying against the plan and at the same time orchestrating concerned overseas "greens" to bombard the Botswana government with threats in order to force it to abandon the scheme.

Environmentalists say that the scheme will lead to the degradation of more than 600 square kilometres of wetland, a claim disputed by the government, who say just 60 square kilometres will be affected.

The government also says it has appointed an ecologist to oversee the project, including the re-planting of grasses and sedges and the routing of roads to spare trees.

According to a report by the Australian-based Snowy Mountains Engineering Corporation (SMEC), which investigated two dozen different schemes to siphon water from the Okavango, "all of the alternative schemes considered assume the existence of Maun reservoir and are directed towards improving the surface water supply to Orapa in dry years".

The Botswana government has said that the main aim of the scheme is to provide water to farmers and ranchers in northern Botswana as part of a "self-sufficiency" scheme and to guarantee a supply to the town of Maun.

However, the SMEC report pooh-poohs both ideas.

It says the soils in the area are too acidic, thin and sandy to support farming without constant watering and the supply of all nutrients needed by the crops grown.

The report found that the cost of irrigation, transport, fertiliser and other factors meant that an outlay of R600 000 on a 100 hectare irrigated farm would return less than 5 percent profit, while increased running costs on larger units would mean no profit at all.

It also partially contradicted government assertions that the Okavango scheme was necessary to provide a reliable water supply for the town of Maun, finding that alternative ground water supplies had not been fully investigated.

Finally the report contradicted De Beers' assertions that it had plenty of water, pumped from boreholes, for Orapa's needs, adding that De Beers engineers had vastly overestimated the area's ground water reserves.

Indeed it found that at present usage, if ground water supplies were not replenished by rains, Orapa would run out of water by 1994.

It also said that the cost of water from the Okavango would cost just 20 percent of the cost of pumped ground water, which also added to main-

PLAN TO SIPHON WATER FROM SWAMP TO MINE

# Threat to Okavango

12/11/91  
M. H. H. H.

tainance costs because of its high calcium content that clogged pipes and plant.

De Beers would not be contributing anything toward the estimated R100m cost of getting Okavango water to Orapa.

The report concluded that if the scheme to tap the Okavango was not implemented it would cost De Beers an extra R100m over the working life of the mine.

# Cooks foil prison escape attempt

GABORONE - An escape attempt by eight members of the Black Consciousness Movement of Azania was foiled when they were attacked with kitchen utensils by other prisoners at the Gaborone Central Prison at the weekend.

The eight, who are awaiting trial on charges of murdering other BCM members, made their escape bid after a church service, according to prisons department spokesman Mr. Tefo Mmolai.

Mmolai said they tried to climb a sentry tower to seize a rifle from a guard apparently to use it to "shoot their way to freedom".

But other prisoners working as cooks attacked them with cooking utensils and they were seized and confined, he said.

Mmolai did not identify the utensils but they are understood to have been pots and pans.

The BCM members are charged with murdering other members of the movement near Lobatse last October.

They are Bethuel Motaung, Louis Kobane, Welcome Rapodile, Neil Alexandra, Nick Bell, Skaap Motsai, Harrison Phiri and Colin Motsinya.

- *Sowetan Africa News Service.*

FM 18/1/91  
BOTSWANA TOURISM (12)

## RETHINKING HIGH FEES

SA bush lovers, who stopped going to Botswana's game parks in large numbers last year, could soon be returning.

FM 18/1/91 (12)

Eighteen months after the Botswana Parks Board raised the daily tariff for non-residents from 3 pula (R4) to 50 pula (R68) per person and per vehicle, the authorities have decided to review the fees. The board may decide to charge overnight visitors only and allow day-trippers free access to the parks, which would encourage more business from tourists who stay outside the park gates.

Tourist numbers dropped drastically in the last year. What for many South Africans was once a cheap camping holiday became unaffordable overnight. Yet despite the drop-off in volume, Botswana authorities and tour operators say revenues are up.

"There's been a decline in do-it-yourself tourism but not in people taking tours," says Bonaventure Tours MD Rod Murphy. "While public camping sites are emptier, the lodges remain full."

Murphy, who heads one of the largest SA tour operations into Botswana, says the July 1989 hikes were intended to target a more responsible market.

"Prior to 1989, the parks were largely unpoliced and a hooligan element was literally taking the place apart."

Clearly, a more moneyed market was also a target. If Botswana game parks don't make a profit, government can reallocate the land for cattle grazing.

The reduced flow of tourists through the parks has hurt local businesses, particularly informal sector operations such as curio sellers and vendors.

"The informal sector might have suffered in the short term, but they don't serve the package tour sector," says Swift Mpoloka, marketing manager of the Botswana Department of Tourism. "The tourists we are trying to attract come on a complete package and tour operators buy from major centres and stores in Maun and Kasane."

Mpoloka believes the opening of an international airport in Kasane later this year should lead to a spin-off for smaller business.

# Dark clouds over the Okavango

Southside 24/11 - 30/1/91

(12)

**W**HEN I visited the town of Maun, 600km west of the northern Botswana centre of Francistown late in 1989, the dark clouds that hung over the Okavango Delta were manmade, not natural.

The Okavango is the largest and most spectacular of a series of major swamps that lie in natural depressions along the northern border of the Kalahari.

Much of Botswana is covered by the Kalahari basin — a vast shallow bowl that acts as a drainage system for the Okavango River which arises 1000km to the north-west in the highlands of Angola.

## ISLAND DELTA

The vast swampland called the Okavango is a 15000 sq km fan-shaped island delta that sprawls over and percolates through a 300m-thick cushion of sand. The Okavango is regarded as one of Africa's last great wildernesses. A restless and ever-changing network of channels, backwaters, lakes and lagoons, islands and reed beds are the natural habitat for a wide variety of fauna and flora.

Hippos and crocodiles wallow in the waterbeds, fish dart through the channels and a myriad of colourful waterbirds hide in the fringing reed beds or swoop over open waterways. Within the tree-lined perimeters are expanses of dry grass and mopane thickets where kudu and impala graze and feed.

The larger islands in the Moremi Wildlife Reserve are a rich mosaic of grass thicket and woodland where herds of wildebeest, giraffe, buffalo and elephant abound. One can explore the crystal-clear deep waterways by traditional mokoro — a dug-out canoe poled along — or by motor boat. All around is a bewildering variety of life — plant, animal, bird, insect and fish.

Maun, once inaccessible by road, will soon be connected with the town of Nata by tared road. The 210km road from Francistown is now complete. Improvements to the landing strip at Maun have swelled the charter trade and the number of tour packages — and, with it, the positive and negative effects of the tourism, which is regarded as Botswana's third largest industry.

Although it is the diamond trade which is the biggest state revenue spinner — due to a lucrative deal struck with De Beers/Anglo American C — Botswana is still cattle country with large ranching estates.

## INCREASED FEES

Last year the government increased the fees for game parks and reserves by 3000 percent, partly in pursuit of a "high cost, lower volume" policy to protect the game and partly to show the financial justification for retaining such huge areas for nature conservation.

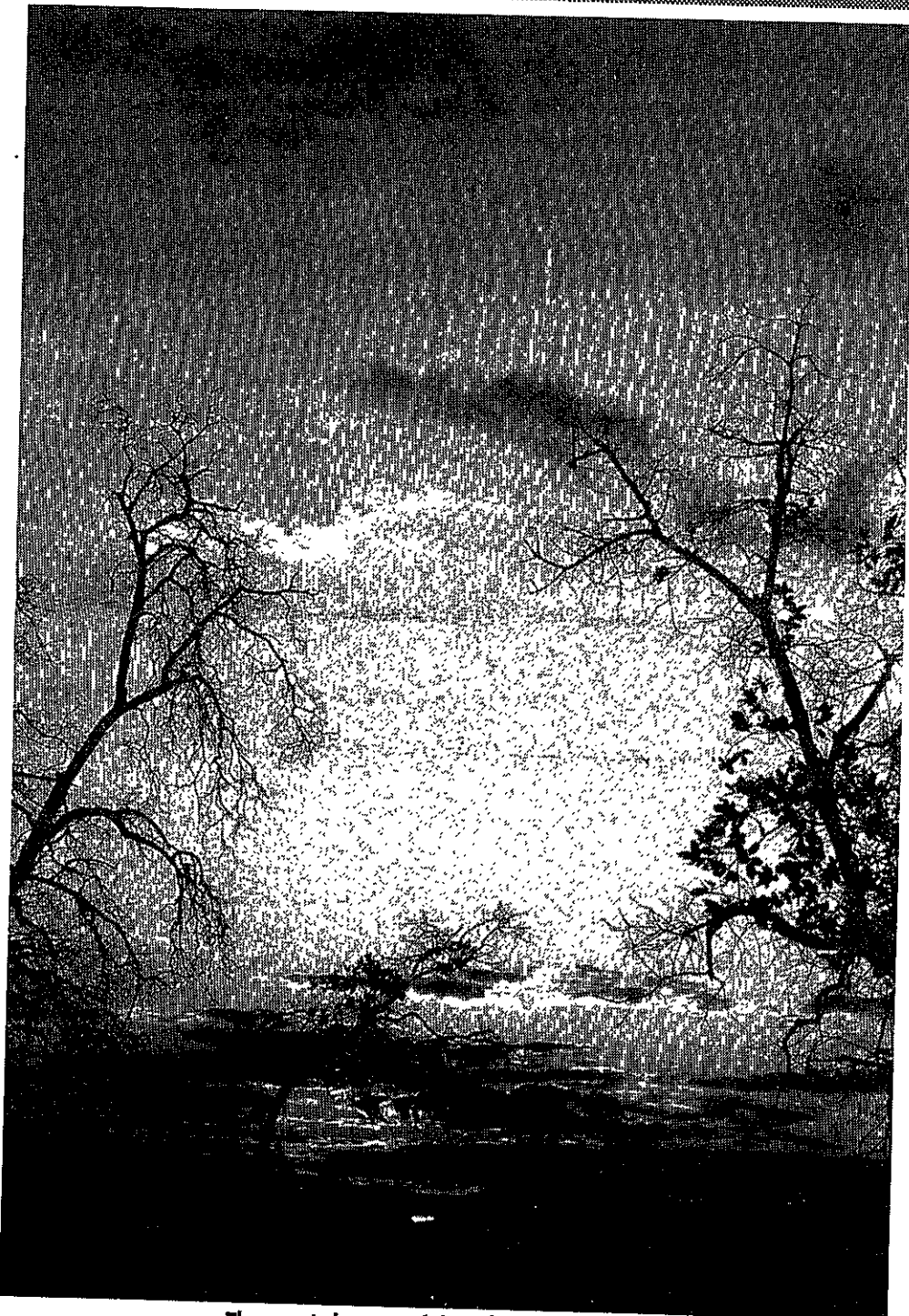
Big cattle farmers, the producers of the export-orientated beef industry, have long been critical of these reserves which they say deny them access to some of the best-watered land in a country covered by desert and ungrazeable land.

The fee increase has hit regional tourism drastically. South African and Zimbabweans who previously frequented reserves like the Okavango, Moremi, Chobe and Nxai Pan now have to pay almost R1000 a day for each person at most of the camping sites. But dollar tourists — those with prized forex — still come, and the present tourist facilities are stretched to its limits.

Some feel that there are too many pirates trying to squeeze the Okavango dry. The more respectable of the tour operators are now getting together

**“We are mindful of the need to emphasise conservation so that our vast fauna and flora resources are not senselessly depleted. It is perhaps correct to say that these resources have remained largely intact because Botswana has remained relatively less known for several years in the field of tourism.”**

PRESIDENT Q MASIRE, 1989



The scenic beauty of the Okavango Swamp

with the Botswana government to try to establish a code of standards within the tourist industry.

## IMAGINATIVE SCHEME

In response to these pressures, the authorities have launched an imaginative scheme, known as Lake Maun, to deliver a permanent body of water to this part of the Okavango. The swamps are seasonal, fed in June or July by the rains that fall in the

Okavango River catchment areas of Angola the previous December or January.

A permanent body of water at the gateway to the swamps obviously would open up all sorts of tourist and developmental possibilities. The partly state-owned Riley's Hotel in Maun has already entered into an agreement with Air Botswana, offering weekend packages.

The government had called for tenders for the

dredging of the Baro River, which runs from the north-west into the Thamalakane, and the creation of dams to retain some of this water for irrigation and drinking. The lake was intended to be completed within four years.

## ECOLOGICAL COST

The big question is: at what ecological cost? The Department of Mineral Resources and Water Affairs' recently-published report suggests none at all. The Southern Okavango Integrated Water Development scheme (SOIWD project) has become a cause célèbre due to the controversial nature of the whole project as envisaged by the authorities.

Local and international environmentalists are concerned that the project will interfere with the Okavango's ecology and affect the generation of local income.

The SOIWD plan, which according to some reports has been undertaken under a veil of secrecy, is already being implemented. South African-based civil engineering and construction giant LTA has been sub-contracted by the Belgian company Green Industrial Engineering Corporation (GIEC) for the project.

Low earth walls will be constructed on either side of the channel, while excavated riverbed sediment would be deposited behind the walls. The designated area, which will extend another 20m from the junction, is to be cleared of vegetation.

According to rumour, a large dam was to be constructed at Sokwane. Pipelines going to the De Beers/Botswana State Corporation-controlled Orapa diamond mine are to be constructed. This would entail diverting and re-routing the present river to the planned reservoir.

Anglo American had in fact dredged 20 km of the Baro River 20 years ago — with disastrous consequences which are still clearly visible today. Sand filled the riverbed and it is now impossible to gain access to the swamps from there by boat in the dry season.

## DIRE CONSEQUENCES

Local residents and conservationists fear a repetition of the similar, failed, project, with dire consequences for the ecology and also for the tourist trade. Disgruntled residents report having seen bulldozers and other earthmoving machines in the designated region — a sign that the project is going ahead — and raised the alarm.

Local parliamentarians have raised the issue in parliament and opposition party leaders warned that the dredging of the Baro would devastate the swamps. International environmentalist groups have threatened to launch a campaign, called Diamonds are for Death, in a last-minute effort to save the swamps.

The reaction from De Beers and the government authorities has been immediate. De Beers hotly denied that their company was involved in the project and the government has suspended its plans because of the outcry.

Government officials were sent packing when lower officials tried to address a local village council meeting in Maun. "We want to speak to the Minister, not his little boys!", was the message from the convened gathering one Saturday morning just before Christmas last year.

However, diamonds provide 95 percent of total state revenue and the "remarkable performance" of the mineral sector of late has led to Botswana being put in the top rank of 185 nations which achieved impressive economic development during the previous decade (1980-89). Botswana achieved an average real growth of 10.2 percent a year during this period — superceded only by oil-rich Oman with 10.3 percent.

What with dire warnings of the consequences of its controversial SOIWD project — and with the withdrawal of De Beers from being implicated in it — the authorities are in a quandary now as to how to proceed with its plans.

The region is a growth-point which will require increased investments and fresh-water resources. Residents are not opposed to the idea of a permanent water supply. However, the conflicting interests of big-business, cattle ranchers, the tour operators and the local Tswana-speaking residents who need employment must all be taken into consideration if a well-rounded developmental process is to be achieved.

Only proper planning and consultation with local interests by the authorities can prevent the dark clouds over the Okavango from breaking out into a storm of protest and controversy.



## BCMA men in chains - claim

EIGHT Black Consciousness Movement of Azania members who attempted to escape from a Botswana prison two weeks ago are being held incommunicado, chained and denied medical attention, South African refugees in Gaborone alleged this week.

The sources said the prison authorities were refusing visits, food and toiletry parcels for the awaiting-trial prisoners. *Sowetan 24/11/91*

They said all requests for visits were referred to the investigating officer who is based in Lobatse, about 75km away from the Botswana capital.

12 The head of the Security Branch in Botswana, Mr Adolf Hirschfeld, told the *Sowetan* that the matter was being handled by the CID. The head of the CID, a Mr Katlholo, referred us to the Prisons Department.

The public relations officer of the prison department, Mr Tefo Mmolai, said prison regulations in Botswana allowed for visits. When told that allegations were that those regulations were being violated, Mmolai said the issue was a "sensitive security matter on which I cannot comment to a foreign media over the phone".

# Botswana Wildlife Faces Destruction

## Don't fence them in, warn conservationists as cattle barons clamour to cut off the herds

By KEN VERNON

**Argus Africa News Service**  
**MAUN** — In this frontier town of hard-bitten individuals they don't come any more hard-bitten than crocodile and elephant shooter turned professional hunter Willie Phillips, the most unlikely conservationist you are ever likely to meet.

Willie calls a spade a shovel and there is no doubt about what he feels — and at the moment he feels strongly about a fence — and about cows.

"Man, cows are eating this country down to the bones. If something is not done there won't be a damn single wild animal or a blade of grass left in ten years time."

### Pristine wilderness

The immediate object of Willie's wrath is a veterinary cordon fence, commonly called a buffalo fence, being built from the northern fringe of the Okavango Delta around a pristine slice of wilderness called the Selinder spillover, and north-west to the Namibian border.

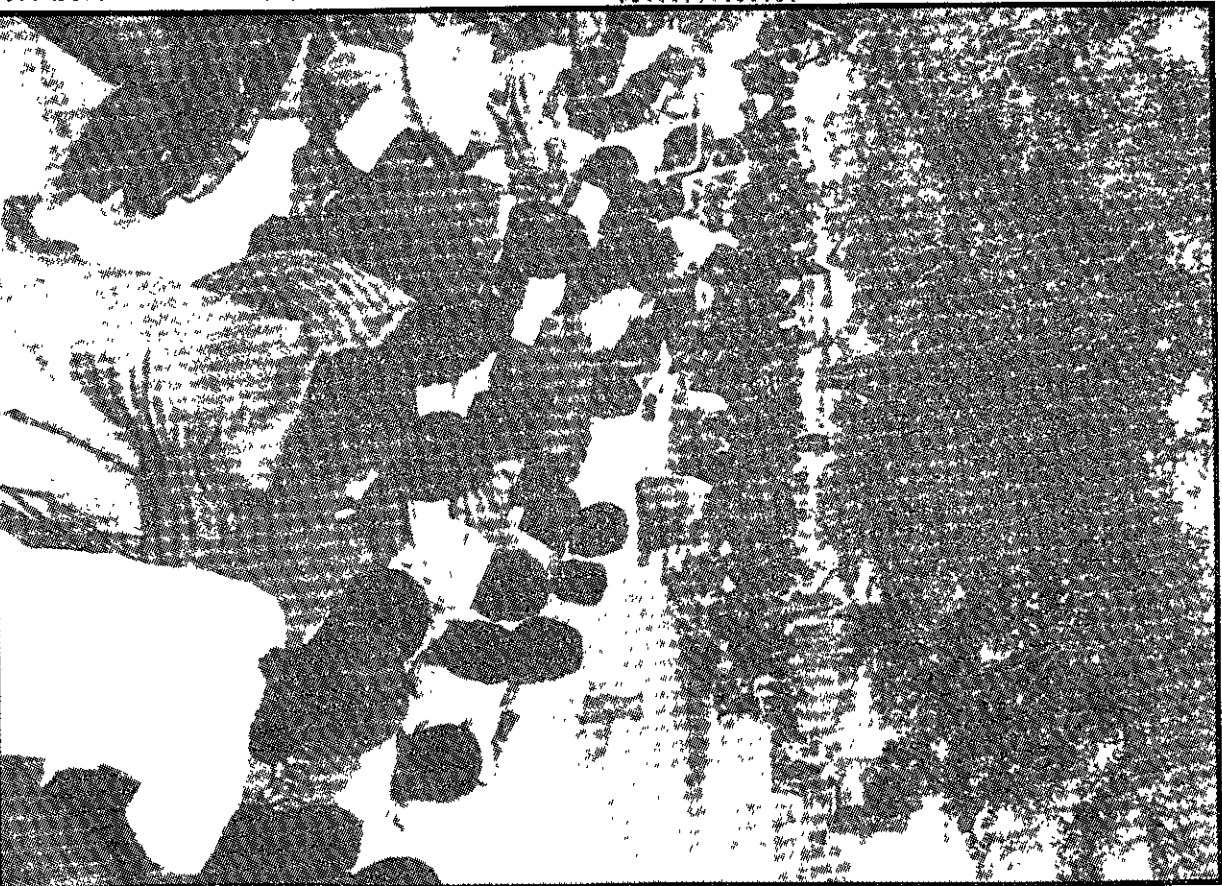
The purpose of the fence is to separate cattle which are intruding into the area from wildlife already there. This separation is required by the European Economic Community — A R100-million a year market for Botswana beef — purportedly to prevent the wildlife infecting cattle with the dreaded foot and mouth disease.

But the fence will turn almost 11.5 million hectares of what is now a retreat for some of the last great herds of game into cattle country, and in the minds of many destroy the ecology of the area. In turn it will have a catastrophic effect on the "panhandle" area of the Okavango Delta.

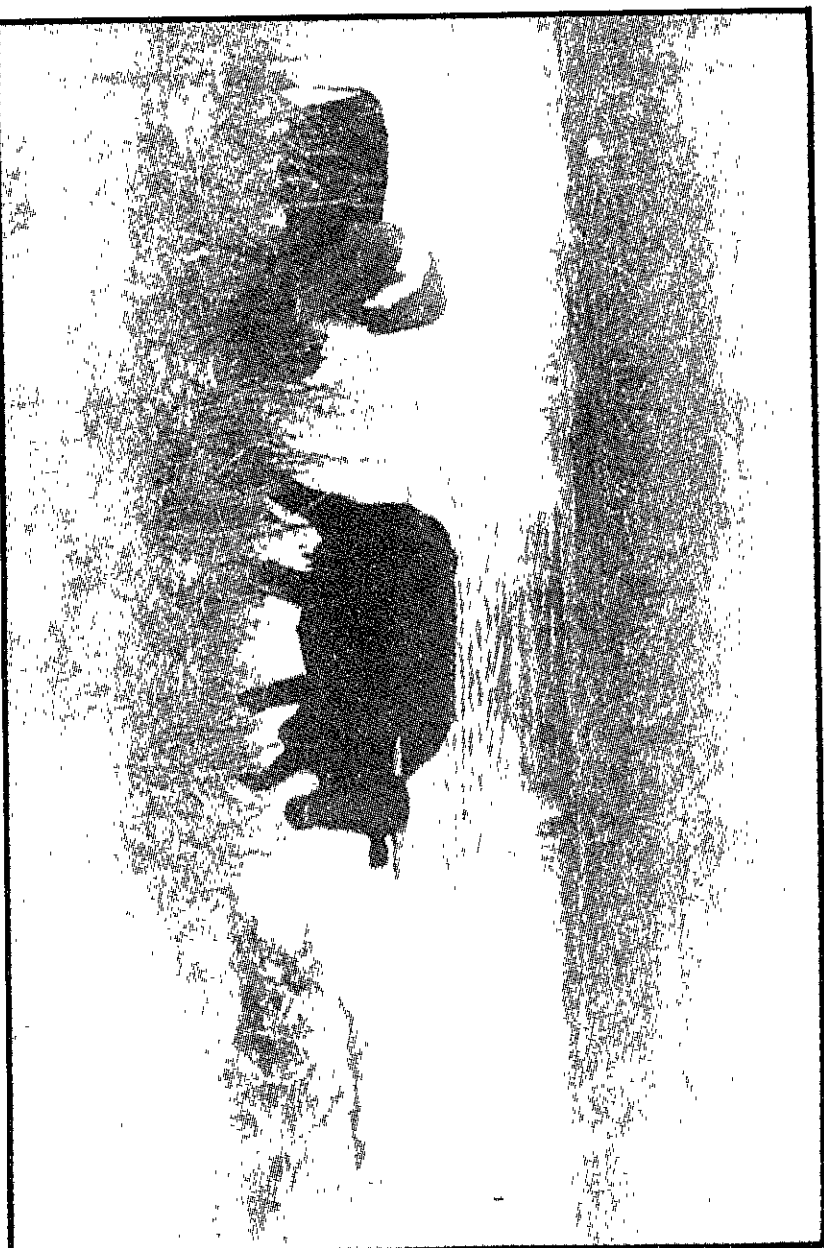
Combined with similar fences to the south, west and east, it will also virtually isolate a truncated Okavango Delta, turning it into the last refuge of what might remain of those great herds. And inevitably they too will fall to the demands of the beef barons.

For if there is one thing that everyone in Botswana agrees on — and it is probably the only thing — it is that the demands of the cattle industry take precedence, whether anyone likes it or not.

The aim of virtually every Motswana is to own cattle — as



Some of the crowd that attended the "Battle of the Okavango" Kgotla (village gathering)



Cattle forage along the banks of a stream in the lower Okavango delta.

not only wealth, but prestige, social status and political clout. The leaders of the cattle industry are the leaders of government.

Yet a number of Batswana are becoming increasingly concerned over the depredations of the cattle industry on the environment and on Botswana's unique heritage of wildlife.

These same people recently won a small victory by forcing the postponement of a government scheme to dredge the lower reaches of the Okavango, but they now face a much tougher fight, even with the international environmental groups they have enlisted in their support — against a fence designed to promote cattle.

### Migration routes

Their concerns are fourfold:

- That little understood migration routes in the area will be severely disrupted.
- That the cattle with their voraciously indiscriminate appetites will destroy the sensitive ecology of the grasslands to which the

● That the fence will trap thousands of animals on the "dry" side repeating haunting scenes played out in the early 1980s when tens of thousands of wildebeest died — trapped against a buffalo fence that cut them off from seasonal watering holes.

● That the cattle will destroy the reedbank ecology of the Okavango River at its most sensitive point — where it enters the delta — allowing it to surge in at greater velocity, carrying silt normally filtered out by the reedbanks, causing massive damage to the wetlands downstream.

These concerns could have been addressed by an environmental impact study of the fence, but no such study has been carried out.

Mr Nigel Hunter, Director of the Botswana Department of Wildlife, admits that the fence is designed at allowing cattle into what is designated a wildlife area. But he says the government turned down a demand by local people for an additional 800 000 hectares of land for cattle.

He disputes that migration and

area will be drastically affected, and says there is sufficient "local knowledge" of the area to make an environmental impact study unnecessary.

"Wildlife will be affected, that is unfortunately inevitable, but the fence will not be 'wired' until the game returns to the delta at the beginning of the dry season," he says.

It is this deference to the cattle industry that has allowed an estimated 3 000km of cordon fences to be built, often cutting historic wildlife migration routes and even bisecting villages.

Yet ironically it is generally admitted that fences do not stop foot and mouth disease.

Experts now believe the disease to be carried not only by buffalo, but by small animals that easily slip through the heavy fences, by insects, and even by the wind.

In the last two decades, despite a dramatic increase in the number of fences, Botswana has had four outbreaks of foot and mouth.

But fences not only keep wild-

cattle population continues to boom to almost three head per person, cattle areas are being turned into desert by animals not designed for the fragile Kalahari ecology.

Unlike wildlife, cattle do not migrate, so as one area is ravaged into desert, another has to be opened. Satellite pictures show desert areas spreading like small-pox pustules across the land, radiating from boreholes drilled into Kalahari grasslands to supply cattle needs.

"I feel the government is carrying up the country willy-nilly on the artificial basis of the subsidy that allows Botswana beef into the EC at a 90 percent tariff discount" says the chairman of the Okavango branch of the Kalahari Conservation Society, Mr Paul Scheller.

"If that subsidy were to be revoked, and given the events in Europe and the Middle East it could be, then the Botswana cattle industry might collapse like a house of cards."

Why then does the cattle industry continue to expand?

One reason is that it is encouraged to do so by international agencies such as the World Bank, which argues, despite evidence to the contrary, that the industry is good for Botswana.

### No profit

Another reason could be that the people who make the decisions, are those who most benefit from the industry.

At present the World Bank is financing a scheme, its third, aimed at increasing livestock production by supplying credit for further development of 130 commercial cattle ranches, despite reports by its own investigators that a previous scheme that also aimed to develop the ranches was a complete failure.

All 130 ranches defaulted on loan repayments and the scheme reportedly made no profit for the country at all.

Of those 130 ranches, a large proportion are owned by rich cattle barons, many of whom are also in government.

It is these few who benefit mostly from the World Bank and EC schemes, because only they utilise cattle herds for profit.

Most Batswana are what Paul Scheller calls "prestige ranchers". They breed cattle not for profit

# Okavango faces ecological disaster

South 7/2-13/2/91

12

From Eddie Koch  
Johannesburg

ONE of Africa's last remaining wilderness areas faces an ecological disaster if the government of Botswana pushes ahead with plans to open the Okavango delta for cattle ranching.

The government in Gaborone last month pressed ahead with two controversial schemes that have caused an international outcry and sparked domestic opposition to the ruling Botswana Democratic Party (BDP).

The projects involve building a game fence in the north of the delta that threatens to kill thousands of wild animals and a dredging scheme for agriculture in the south that could change the delicate balance within the delta's fragile ecosystems.

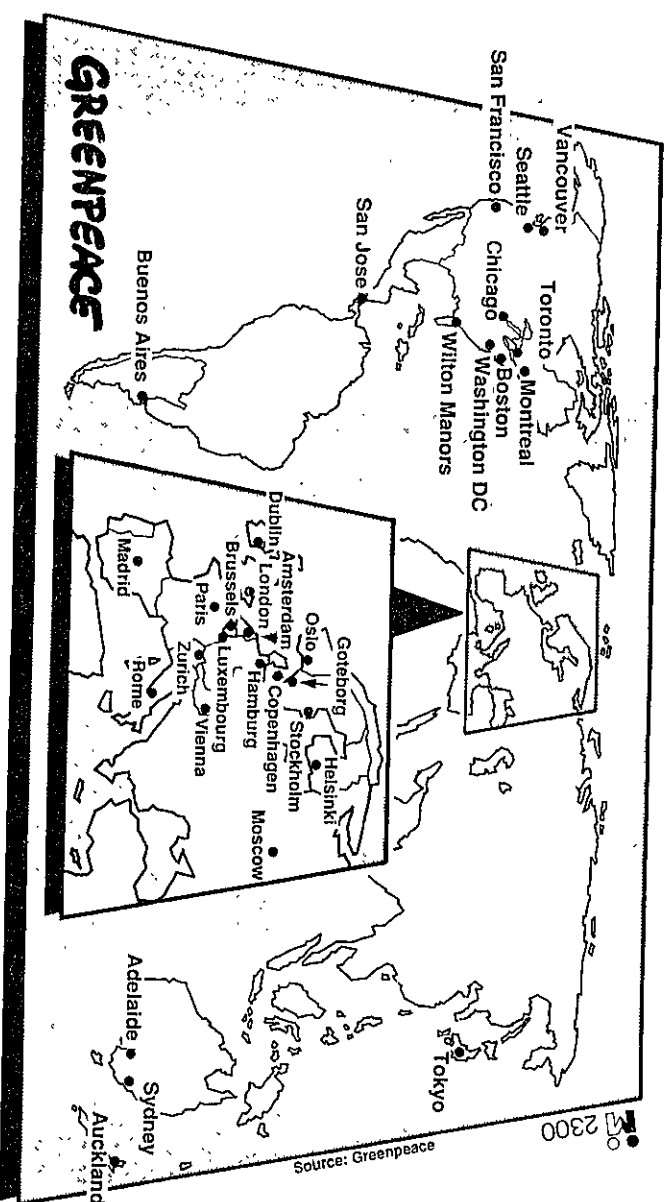
Okavango hosts some 300 species of rare animals and is the only wetland of its kind. Regarded as one of the world's most treasured heritage sites, it has so far been protected from the powerful lobby of beef farmers in Botswana.

Now, however, the cattle ranching industry is determined to exploit the vast supplies of water and lush pastures of the Okavango to recover from a decade of drought and exploit increased demands for beef from Europe.

Conservationists say the cattle industry's methods have led to overgrazing and desertification on a vast scale in most parts of the country. The swamps are, therefore, the only area available to big-time ranchers to expand into.

Conservationists say the fence, built primarily to satisfy the European Com-

Greenpeace's global growth



munity's insistence that imported beef be free from foot-and-mouth disease, will kill thousands of wild animals by cutting their access to the swamps during the current dry season.

Botswana has already built some 800km of game fences across the country to meet the EC's requirements that beef from the tiny national should not be contaminated by the disease carried by wild animals.

Botswana is expected to export 20 000 tons of beef every year to the EC under agreement. The fences have, however, killed tens of thousands of oryx, hartebeest, wildebeest, giraffe, kudu, springbok and eland who ran into the wire. The animals also die from exhaustion

as they run along the length of the barriers in a desperate attempt to reach their traditional water supplies.

The second scheme involves an attempt to dredge the Boro River and drain some 250m litres of water from the southern end of the delta and make it available to farmers and the De Beer's diamond mine at Orapa.

Construction of the R30m project will be carried out by the giant South African construction company, LTA.

"Dredging is an uncontrollable process that will inevitably lead to a drop in the water-level, leading to unavoidable damage," says an international expert on the Okavango delta.

Greenpeace International is spear-

heading an international drive to oppose the game fence and the dredging project, and a powerful team of its investigators arrived in Botswana last week to investigate the matter.

Director of Greenpeace in Britain, Alan Thornton, is leading the team. Members of the local Botswana people are also up in arms about the Boro River scheme, saying they were never consulted properly about the project.

President Quett Masire owns large herds. His brother, Peter, is said to be the second biggest rancher in the country. All but two cabinet ministers and most senior civil servants own cattle ranches.

—Inter Press Service

# Okavango dredging plan bogged down

OVERWHELMING rejection by the local community, and indifference from De Beers, have prompted the Botswana government to abandon the Okavango swamp dredging plan.

Greenpeace International and the government issued a joint statement yesterday confirming the southern Okavango Integrated Water Development Project had been shelved.

The government did not rule out future dredging, but environmentalists are confident the scheme has gone for good.

Wildlife Society executive director Tony

blpaw 14/2/91

ROBERT LAING

Ferrar said the government pledged it would only proceed with the project if the local people approved. On January 11 the community rejected the scheme, he added.

Work was suspended after 20 000 Batswana in the area protested against dredging the Boro River.

The other problem the Botswana government faced was that De Beers denied it had asked for more water for its Orapa diamond mine. Additional water for the mine was cited as a primary motivation

for the scheme.

A De Beers spokesman said his firm's role in the Okavango project had been overstated by the media. "The decision to suspend the scheme does not affect us."

Orapa mine set up its own water supply three years ago by drilling boreholes. This eliminated the prime motive for the development, Ferrar said.

Environmentalists had threatened to promote a worldwide boycott of Botswana's two main exports, beef and diamonds, if the project was given the go-ahead.

# Botswana tops in sun power

S/Times 17/2/91 (12)

By MELANIE SERGEANT

BOTSWANA is putting SA in the shade in the development and application of solar power.

Solar Energy Society of Southern Africa chairman Deon Stassen says: "The high price of electricity in Botswana and its dispersed population have spurred the solar industry. SA has much catching up to do."

Power in Botswana is expensive. It costs about 33c for a kilowatt hour — roughly double the price in SA.

This is because Botswana built its own power station a few years ago to be less reliant on SA.

## Double

The Botswana Telecommunications Corp (BTC) is in a major capital expenditure phase for the rural phone network which uses solar.

Spending on it will be about R1.3-million annually for the next five years. About 150 solar sites for phones have been installed and the number will double within five years.

Johannesburg-based KG Electric, importer of one of the best-selling ranges of solar panels, those from Kyocera Corp. in Japan, agrees that Botswana's photovoltaic market is booming.

There are about 30 domestic photovoltaic installations in Gaborone, and a growth rate of about 100% a year is expected, says managing director Uwe Klingenberg.

Secondary schools in Botswana all have at least two classrooms with power from photovoltaics, says Mr. Klingenberg.

Renewable energy coordinator at the energy unit of Botswana's Ministry of



UWE KLINGENBERG: Electricity in the classrooms

Mineral Resources and Water Affairs, Stig Carlsson, says a World Bank report on rural household energy consumption predicts that in 1991 Botswana will install 3 600 household solar water-heating units.

Growth has been between 6% and 8% annually for the last five years, but is expected to increase to about 14% for the next five years, and to 20% from 1996 to the year 2000.

Another source says the payback for solar water-heating systems can be as low as two years.

There is rapid development in the use of solar for diverse applications ranging from solar lighting to salt production where salt water is pumped into distillation plants and salt is extracted.

Government support is being canvassed for this technology. There is provision for such support in the national development plan which comes into force in April.

Support would cover areas like local manufacture, training, and testing.

The use of solar water heating is booming — especially in government institutions.

## Botswana predicts deficit in its budget

GABORONE — Botswana's Finance Minister Festus Mogae yesterday predicted a deficit of 135-million pula, the first since 1982.

An interesting feature in the budget he presented yesterday included an incentive for companies to go public on the Botswana Stock Exchange. The incentive would reduce the country's tax rate to 35% for a five-year period, provided the public held 25% of equity. *Bisa 19/2/91*

The major cause of the slowdown in the economy was a decline in proceeds from diamond exports, which dropped 200-million pula in 1990, compared with 1989. *(12)*

Sale value on copper and nickel exports was 40% down on the previous year while inflation rose to 12% from 11,3%. However, Botswana's foreign exchange reserves were at US\$3,3bn, sufficient to finance about 16 months of imports. — Sapa.

# Low diamond sales put Botswana in the red

GABORONE - A drop in diamond revenue has given Botswana its first deficit budget in nine years but this has not deterred the government from allocating huge sums for defence.

Presenting a budget before parliament this week Finance Minister Mr Festus Mogae did not give any explanation for the big spending on the Botswana Defence Force (BDF), which will receive a total of R310-million.

Observers speculate that much of the money will go towards the big new base that is being built for the BDF near Gaborone.

Diamond sales were R270-million lower last year than the previous year.

The decline is attributed to variation in the types and sizes of stones recovered from the mines. *Sowetan 20/2/91*

Government revenue will drop from R4 470-million in 1990-91 to R4 350-million in 1991-92.

## Growth

Mogae said Botswana's Gross Domestic Product (GDP) per capita had grown from R70 at independence 25 years ago to R6 700 in 1991.

Between 1988 and 1989 the GNP in real terms had grown by 14 per cent and in the following year by 6,3 per cent, he said. - *Sowetan Correspondent*



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# Clandestine currency dealings a lucrative venture

12

South 21/2 - 27/2/91

From Godfrey Karoro Francistown, Botswana

AS early as five o' clock in the morning, queues start forming at the two main commercial banks here. Most of the customers are from neighbouring Zimbabwe and Zambia, bidding to cash their travellers' cheques early to allow them enough time to reach their respective borders before they close.

## Inflation

Because of the shortage of many commodities, soaring inflation and declining incomes in real terms, Zimbabweans and Zambians are crossing borders to shop in this sparsely-populated country, whose shops are filled with an assortment of goods.

The time spent in the banks trying to cash travellers' cheques and the problems in securing the foreign currency in Zambia and Zimbabwe, however, have spawned another thriving business — buying and selling of the pula, Botswana's currency, on the parallel market.

Crouching under a tree, women who belong to a traditional religious sect easily identified by the white robes they wear, sell roasted groundnuts and boiled maize cobs in downtown Francistown.

But a visitor soon realises that the women are also selling

more than maize. The maize and groundnuts are a clever coverup for their clandestine trade in most currencies of the region, especially the Zambian kwacha, Zimbabwean dollar and the South African rand.

According to a Zimbabwean expatriate working in the city, the bank queues discourage many foreign workers from changing pula at the commercial banks. Rates on the parallel market also are far better, he adds.

## Lucrative

One of the women, who declined to give her name, said: "We make only a small profit, but the daily turnover makes the venture lucrative."

The Botswana government is aware of the illegal business and is taking measures to stem it. The police frequently carry out raids on all suspected foreigners to check whether they are involved in any illegal business.

At Plumtree on the other side of the border, Zimbabwe's customs officials have also become more vigilant and are searching all travellers' baggage in a bid to curb the smuggling of the Zimbabwe dollar out of the country.

According to the Botswana police, the country is experiencing more pickpocketing, theft, robbery and burglary incidences than in previous years.

They believe the high crime wave is directly proportional to the increase in the number of "holiday makers" from neighbouring countries.

● 36 000 extra classrooms are needed in black schools to alleviate overcrowding.  
● An extra 1 200 schools need to be built at a cost of R2,5 million

THE Morris Isaacson High School's "class of '76" is making a comeback.

BY MONO BADELA

South 21/2 - 27/2/91

# A reason for hope at 'school of des

S2

have lost respect for property like schools and have come to rip off doors, windows and ceilings," he said. "The support group is going to help the school to approach the government to



# Bid to extradite 3

## David Breier Political Correspondent

THE South African Government believes the Botswana authorities will hold an extradition hearing on the application to extradite three of Winnie Mandela's co-accused who fled to Botswana.

The two 19-year-old men — Mpho Gift Mabelape and Sibusiso Brian Mabuza — and a 17-year-old youth skipped bail shortly before they were due to stand trial on kidnapping and assault

charges this month.

After they were widely reported to be in Botswana's Dukwe refugee camp, a Department of Justice spokesman in Pretoria expressed concern that the publicity given to their whereabouts could cause them to go into hiding.

A Foreign Affairs spokesman said the extradition application was handed in on Friday and the matter was being dealt with by the Botswana Government.

A Foreign Affairs source said Botswana was likely to hold a judicial hearing rather than merely leave the matter in the hands of the Government. There

was no indication how long this could last.

South Africa and Botswana have an extradition treaty dating to 1969.

If you are a fugitive you couldn't pick a better place to drop out of sight than Dukwe refugee camp in Botswana, reports Sunday Star's Africa News Service from Francistown.

The SAP believe Mrs Mandela's three co-accused have been eluding justice there, possibly since last December.

Dukwe is as close as one could ever come to being in the "middle of nowhere". There is no sign along the main road to

Maun which indicates the presence of the camp in the Kala-hari thorn scrub thickets.

The road in to the place is easy to miss. Once you do get in, though, the reception is cold to hostile if you are strangers.

According to the officer in charge of the police station in Francistown, the whole area is "restricted".

Intended as merely a "transit camp", Dukwe was set up in the early 1970s to house people fleeing from Zimbabwe as the bush war hotbed up. It is financed by the UN High Commission for Refugees and administered by the Botswana Council

for Refugees, which is answerable directly to the Office of President Quett Masire.

The average inmate stays there for a maximum of two months, according to the UN's representative in Gaborone, Joseph Kawuki.

Mr Kawuki said he had heard nothing about the possibility that the three co-accused were hiding out at Dukwe.

Although it was originally a haven for Zimbabweans, Dukwe became an important staging post for the ANC's underground escape network.

Well inside the camp is a police post and the message there for nosy outsiders is plain: you

will not see any of the residents without presidential permission from Gaborone.

On the way to the police post, refugees are in evidence, standing or sitting around in groups talking or playing soccer. They speak many different languages, reflecting the reality that people from many parts of South Africa have fled here over the years, and the fact there are still hundreds of Zimbabweans who haven't left despite their war being over for over a decade.

The refugees look with open suspicion at newcomers.

A discussion in Xhosa between young comrades over-

heard by two visiting journalists centres on where a hired car with South African licence plates has come from.

"They are probably spies from the system," said one.

"How do you know? It's probably a guy and his girlfriend," said the other.

The curious stares and the repeated mention of South Africa suggested a terrible home sickness among these exiles and refugees.

There is little to do in the camp — a bit of soccer, drinking and talking about the old days. Many are waiting, after years of living in Dukwe, to be indemnified by South Africa.

# co-accused

Star 24/2/91

# ANC silent over trial fugitives

□ **From Page 1**  
with intent to do grievous bodily harm.  
Yesterday a Sunday Times reporter and photographer were frog-marched out of the camp after being refused permission to talk to the fugitives.  
A tall, wiry man, who

5/11/89  
said he was "responsible for implementing policy" but refused to give his name, said no outsiders were allowed to see the fugitives.  
Pressed on whether the men were actually in the camp, he said:  
"No one will talk to you

here. We have been given orders that anyone wanting to interview any refugee here should get permission from the office of President Quett Masire."

But before being thrown out I managed to talk to some refugees inside the

camp. They said they knew of some South Africans who had arrived about two weeks ago, but claimed they did not know who they were or how many of them had arrived.

Others said they did not know the three fugitives.

## ANC stays silent over Winnie trial fugitives

12/11/89  
By SIPHO NGCOBO  
Dukwe Refugee Camp, Botswana

year-old youth  
Witwatersrand Attorney General Klaus von Lieres said yesterday he did not expect a response from Botswana on the extradition until later in the week.  
The trio jumped bail last month and were this week reported to be at the camp, which houses more than 700 ANC refugees.

They were due to stand trial on February 4 with Mrs Mandela on charges of kidnapping and assault

□ **To Page 2**

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□ **To Page 2**

**Bail-jumpers not at Dukwe camp - Botswana official**

12

Star 26/2/91

GABORONE — None of Winnie Mandela's co-accused are known to be in the Dukwe refugee camp, a spokesman for the Office of the President in Botswana said yesterday.

However, he did not discount the possibility of their being in

the camp under names other than those by which they are identified in the trial.

The spokesman said no request had been received by the Office of the President for the extradition of the missing co-accused in the Mandela trial.

Mpho Gift Mabelane, Sibusiso Brian Mabuza and a 17-year-old youth failed to stand trial after being granted bail.

They are accused together with Mrs Mandela and four others of kidnapping and assault. — Star Africa Service.

The report on of field...  
often helpful, even in the simplest instances, to make  
a written statement of the perceived need and to have this  
not only approved if organisational protocol requires  
it, it is at this stage that alternatives to the  
micro-computing solution can be effectively first  
considered.  
2. Appointment of the Evaluation Team/Individual.  
In micro-computing the evaluation team might well be an  
individual in the corporate environment, however, it  
should be composed of a representative group of the  
organisational community involved in the business activity  
being addressed by the proposed micro-computing solution.  
It could include end-users, business analysts, systems  
analysts, technical DR staff and even external consultants.  
The team's brief should be clearly stated and each member's  
participation guaranteed by the appropriate authority.

# Botswana power

By DON ROBERTSON (12)

**BOTSWANA** Power Corporation (BPC) is investigating the establishment of a large power station.

A pre-feasibility study is being carried out by America's Bechtel group and should be completed next month.

BPC chief executive Colm O'Diunn says it is premature to speculate on the establishment of the power station. More extensive studies will have to be undertaken before a decision is made.

Should the go-ahead be given, the station could cost about \$2-billion at present prices. *Sjijwds 3j3j1j1.*

Mr O'Diunn says one reason for considering the power station is the prospect of a national grid and use of the large coal reserves. If electricity were to be exported, agreement would have to be reached with Eskom.

Eskom has an oversupply of electricity, but because it would take about nine years to commission a station, it would only come into being by the turn of the century. By then Eskom's surplus would probably have disappeared. Botswana has coal reserves at Mmamabula. They are probably an extension of those used to fire the Matimba power station in the Northern Transvaal. It also has other reserves, including those near Serowe.

Several SA companies have shown an interest in the planned project because Eskom has halted its expansion programme.

It is believed that BPC contemplates a 2 400mW station

and that it would be similar to the Matimba plant, which is dry-cooled. This is particularly important because apart

from the Okavango swamps, Botswana suffers from the same problems as SA — lack of water.

## The rand's world value

	R1 equals		One foreign unit equals (R)	
	1 / 3 / 81	1 / 3 / 80	1 / 3 / 81	1 / 3 / 80
US \$ .....	0,3885	0,3883	2,5738	2,5753
UK £ .....	0,2035	0,2321	4,9140	4,3091
Deutschemark .....	0,5950	5,6631	1,6807	1,5081
Japanese yen .....	54,65	58,18	0,0194	0,0172
Swiss franc .....	0,5168	0,5823	1,9349	1,7173
French franc .....	2,0255	2,2410	0,4937	0,4462
Canadian \$ .....	0,481	0,4619	2,2316	2,1649
Italian lira .....	444,43	488,90	0,0023	0,0025
Zimbabwean \$ .....	1,0690	0,8968	0,9255	1,1151
Australian \$ .....	0,5107	0,4962	2,0153	1,9581

Trade weighted value of rand, % change against 1974 base ..39,28 -

## Domestic interest rates

### MONEY MARKET

	Friday	Friday	Friday
	1 / 3 / 81	22 / 2 / 81	15 / 2 / 81
	%	%	%
SARB accommodation: rediscount rate TBs .....	18,00	18,00	18,00
Treasury bill tender rate .....	17,06	16,98	17,08
Basic call of discount houses .....	19,00	17,50	17,50
Three-month banker acceptances .....	17,40	17,30	17,30
Three-month NCDs .....	18,15	18,10	18,20
Three-year RSA stock .....	15,65	15,65	15,90
Prime overdraft rate .....	21,00	21,00	21,00
All-in yield of finest acceptance credits .....	18,38	18,24	18,51

### CAPITAL MARKET

SECONDARY MARKET	RATES ON MOST TRADED STOCKS	
	Average Previous Month	As on Friday
Long-term RSA stocks .....	15,58	15,55
Long-term Escom stocks .....	16,47	15,40

## Best sections this week

## Overall market this week

London gold

# ANC's sad camp of discontentment

SATimes 3/3/91  
By SIPHO NGCOBO

IT IS a little hell-hole situated in the sweltering bush of rural northern Botswana.

Dukwe refugee camp, 130km north of Francistown, is home to nearly 800 South African exiles loyal to the ANC, the PAC and the Black Consciousness Movement.

I went there to follow up rumours that the three missing co-accused in the Winnie Mandela trial — Mpho Gift Mabelane, 19, Sibusiso Brian Mabuza, 19, and Jabu Sithole, 18 — were hiding in the camp.

The three — along with a fourth accused, Katiza Cebekhulu, 22, who also skipped bail — were due to stand trial in the Rand Supreme Court with Mrs Mandela and three others on charges of kidnapping and assault with intent to do grievous bodily harm.

I arrived at Dukwe to see dilapidated buildings — some built of mud — and stretches of match-box cement bungalows. Uncut grass and reeds stand over a metre tall.

The camp is unnervingly quiet, and a mixture of ten-



DILAPIDATED ... this small grocery store is a symbol of the decay at Dukwe Picture: JOE SEFALE

sion and boredom hangs heavy in the air. Young blacks — in pairs, sometimes in groups of three or more — are scattered around the vast camp.

These youngsters, some in their early teens, walk barefoot and use rope as belts on their torn pants.

Strangers, especially those driving cars with South African number plates, are clearly not welcome.

Most of the refugees in the camp are waiting to be sent to other African states or abroad for military training.

Others are awaiting approval of their scholarships in Africa, Europe, Ameri-

ca and Canada.

There are other refugees from countries like Zimbabwe and Angola.

Built more than 15 years ago, Dukwe has accommodated thousands of exiles from different African liberation movements, including Robert Mugabe's Zanu, Joshua Nkomo's Zapu and even Sam Nujoma's Swapo.

It is run by the Botswana government for the United Nations High Commissioner for Refugees.

I found no trace of the missing witnesses, but before being hastily kicked out of the camp together with photographer Joe Sefale by the Botswana police, I managed to talk to some of the refugees.

Two teenagers said there was a lot of in-fighting among the 700 ANC members in the camp, largely due to sub-standard living conditions.

"Comrade, there are no bacon and eggs here. There are no salads. We are in the struggle. Some people come here with high hopes and expectations. But once they are here they become disappointed. You eat whatever you can and go on with your mission," said one teenage refugee.

A spokesman for the ANC in Johannesburg, Sakkie Macozoma, confirmed that there were ANC cadres in the Dukwe camp but declined to say how many.

12 However, he confirmed that the ANC members were in the camp temporarily and that some of them were waiting for the approval of scholarships.

He said that the others may be waiting to be dispatched elsewhere for military training.

"The cessation of military activities only applies within South Africa. It does not mean people cannot be sent to other countries for military training," Mr Macozoma said.

He added that the ANC had no knowledge of the whereabouts of Mrs Mandela's missing co-accused.

# Botswana probes R8-m owed to Development Bank

(12)

Star 4/3/91

Africa News Service

GABORONE — A Botswana member of parliament has accused the country's Development Bank of not collecting on large loans given to leading figures — possibly including very senior politicians.

The MP for the central Kgalagadi district, Mr J L Mothibamele, said "big fish" were responsible for much of the R8 million in arrears owing to the Botswana National Development Bank.

My suspicion is that those who owe the bank are people who are capable of paying back their debts but are not doing so. It would appear the

bank is dragging its feet and not demanding payment" he said.

Meanwhile, the Minister of Finance, Mr Festus Mogae, was also critical of the NDB when he presented his budget speech, saying "the poor attitude of the entire cross-section of NDB borrowers manifests itself in their failure to repay their loans timely".

He said 20 percent of the loan portfolio had arrears over three months.

He said his ministry had called in the Auditor-General to investigate allegations of irregularities within the NDB, and his report has said that public funds had been mismanaged and a number of irregularities had surfaced, some of which could be considered as fraud.

## Tax cuts for those who share

*S1 Times* 10/3/91  
COMPANY tax in Botswana will be cut from 40% to 35% to encourage listings on the local share exchange.

To qualify for the lower maximum rate, companies must offer at least 25% of their shareholding to the public. The idea is to encourage greater public equity participation.

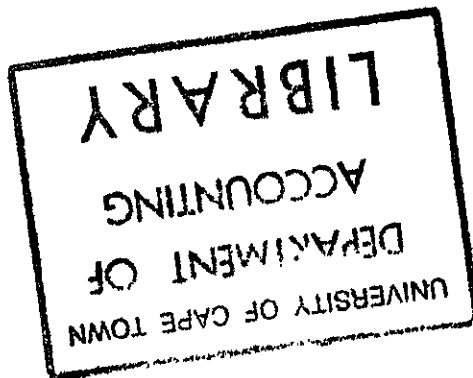
The lower tax rate will apply for the next five years. The Stock Exchange Act has not yet been passed and companies are listed on the Botswana Share Market, which first traded on 19 June 1989 and has only one broker.

DIRK TIEMANN 12

Seven companies are listed on the market so far, and stockbroker Bill Picken expects this number to double within 18 months.

The listed companies are Barclays Bank, Standard Chartered Bank, Botswana Game Industries, Financial Services Company, IGI, Sechaba Investment Trust and Sefalana Holding.

Standard Chartered and Barclays are only 20% held by the public and do not qualify yet for the tax cut.



# TOP KIDS GIVEN PRIORITY ON POSH HOMES

By GIFT SIPHO SISO (12)

POSH Gaborone homes have been allocated to children of President Quett Masire, Vice-President Peter Mmusi, relatives of senior government officials and some businessmen, leap-frogging 30 000 people on the waiting list for homes.

The allocation of homes is the responsibility of the Botswana Housing Corporation.

The issue has become so hot that it has been raised in Parliament, where a junior cabinet minister, Ronald Sebego, defended the BHC. He said the allocations were "proper" because they were meant to tighten the security around "the most important people in our politics".

He said the general manager of the corporation had been given authority to allocate 10 houses to approved people. *Cape Times 17/3/91*

He said the President's daughter and Mmusi's daughter had been given homes because they were adults whose "excessive movements resulting from their lifestyle and their guests and associates could compromise the security surrounding official residences".

Some of the children who have been given homes are already living in luxury flats or houses around Gaborone.

Usual procedure is for homes to be allocated on a first-come-first-served basis. Now, many people are up in arms over what has happened.

Many wonder why there was a deviation from procedure and ask why the Masire and Mmusi children did not have to wait their turn.

No-one in BHC management would comment.



# Diamonds aren't forever in Botswana

B/day 18/3/91

(12)

**GABORONE** — Diamonds have lost their sparkle for Botswana, which faces a budgetary deficit this year for the first time since 1982.

Botswana is one of the world's top producers of gem quality diamonds and its three mines account for half the country's gross domestic product (GDP). But the mines have reached their capacity and prices have levelled out.

"Diamonds aren't forever and we're facing some formidable problems," Bank of Botswana governor Quill Hermans said in an interview last week.

Botswana's GDP, the total value of domestic economic services and output, grew 14% in real terms in 1988, 6.3% in 1989 and 8.3% in 1990.

Per capita GDP has jumped to 4 900 pula (\$2 900) from just 50 pula (\$30) at independence from Britain in 1966.

But Finance Minister Festus Mogai announced in his annual budget speech on February 18 that the government expected an overall budget deficit of 135-million pula (about \$80m) this year — the first since 1982.

"This decline is explained by the deteriorating diamond export performance, with mineral revenues down (by) 467-million pula (\$278m) from revised estimates for 1990 of 1,937-billion pula (\$1,153bn)," Mogai said.

"The bonanza was really an expansion of diamond production — with more dia-

monds being marketed every year, plus the fact that there were price increases — spilling over into the Botswana economy for an almost unbroken period of 16 to 17 years," central bank chief Hermans said.

What lay ahead, he added, was the same struggle facing all African countries: attracting investment for export-oriented industries to keep the economy growing despite zero growth in the mining sector.

"We have a cushion of savings which basically equals time that we can live off. Our foreign exchange reserves are now equal to more than two years of imports," Hermans said.

"We're left with agriculture — where output levels have been diminishing — and manufacturing. This is really quite promising, but it's also small, about 7% of GDP."

Hermans said the 1991 budget contained several measures to deal with Botswana's changing circumstances.

It admitted major problems with two parastatal lending organisations, the National Development Bank and the Co-operative Bank, and pledged an overhaul of state financing for these institutions.

The budget also broke news of further interest rate rises that started last August.

Until excess liquidity started drying up, it was not necessary to encourage savings with higher interest rates, Hermans said.

"Hopefully, the new structure of interest rates is going to put some new savings into the system," he added. — Sapa-Reuter.

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# Few shares and low volumes, but Botswana's market works

THE Botswana Share Market (BSM), established in June 1989, continued to show the steady growth recorded in the first six months of operation and defied the pessimism of international bourses, Stockbrokers Botswana said in a recent report.

At the beginning of 1990, the BSM opened with six quoted stocks and the market index at 149,33; by the end of December the index had risen 54,3% to 230,46.

It also began to attract some international interest. Demand remained strong with both individual and institutional investors purchasing available stocks, the report said.

A total of 2,24-million shares was traded in 1990 with the monthly average at 186 700 compared with 800 in 1989, bringing the total value of shares traded to 7,8-million pula. This represents an average monthly turnover of 650 500 pula compared with 572 400 pula in 1989.

The two main forces behind the sharp rise in the value of shares were the steady growth of the economy and a general shortage of stocks.

This year the BSM has already attracted 1,6-million pula in foreign investment alone.

For most listed companies, the majority of shares are not offered for sale as they are locked into parent company holdings. Investors are reluctant to part with their shares because of the high returns available. This results in a low market liquidity with turnover only 2,5% of the market capitalisation.

Local institutions Debswana Pension Fund, Botswana Managed Retirement Fund, the Finance Ministry's Motor Vehicle Insurance Fund, IGI and the Botswana Insurance Company (BIC) are the main investors.

Average portfolio holders saw share values increase by over 50% last year and dividends contributed 4% to 7% of returns. Market leader Sechaba Investment Trust's share price rocketed 122% last year followed by Sefalana and IGI which showed a 50% appreciation.

When Financial Services Company (FSC), involved in leasing, property and car loans, went public last year, the offer was oversubscribed.

Keith Jefferies of Botswana University's economic

12  
b | Dec | 18 | 3 | 91 |  
**BEVERLY HUCKLESBY**

department said the BSM had performed well compared to the rest of world markets. It increased by 54% in dollar terms last year, indicating that Botswana remained as yet unaffected by international bear trends.

This resulted from a strong economy and interest rates which were below international levels, he said.

Capital movements in and out of the country were regulated by the Bank of Botswana, partially isolating it from the international capital flows that would equalise interest rates and stock market returns.

BSM's role in the economy would provide companies with the opportunity to raise permanent capital that would not have to be repaid, he said.

The development of the share market would also provide additional avenues for inflows of foreign capital and surplus local funds.

However, despite the monthly 4,2% market growth in early 1990, the second half recorded growth of 3,2%. This meant that rapid share price increases would be relatively moderate in the coming year, he said.

In his budget speech in February this year, the Botswana Finance and Development Minister said company tax would be reduced to 35% (45%) for a period of five years as an incentive for companies offering a minimum equity of 25% for quotation on the BSM.



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Company Limited**

**GEFCO**

(Registration number 70/11100/06)  
(Incorporated in the Republic of South Africa)

Directors: H. P. Hart (Chairman), L. K. Jooste, F. W. Knox, G. L. Strydom, P. A. van

THE rate of new exiles pouring into Botswana from South Africa is higher than it was ever was during the period when the ANC was banned.

Transit facilities are overstretched. Food and development assistance funds are short. Transfer to Zambia is moving at snail's pace and there is growing despondency among the refugees, with some electing to return to South Africa.

The surge is occurring as halting moves to repatriate close to 40 000 long-term South African exiles begin.

ANC chief representative in Botswana, Welike Nhlapo, said seven to 15 new refugees arrived every day.

From the mid-1980s until the ANC was unbanned last year the flow of South African refugees into Botswana was between 20 to 50 a month.

Nhlapo added the number of new refugees joining the ANC in Botswana in January 1991 far surpassed the number for the whole of 1990.

He said the bulk of the new refugees were escaping violence in troubled townships of the Transvaal and Natal.

Some are schoolchildren are leaving because of the crisis in black education. They hope to further their studies.

Others have been deliberately recruited by the ANC inside the country for training abroad. Nhlapo says the

# Youth running from violence and schools' crisis cause border chaos

ANC maintains its right to recruit and train people externally for its armed wing, Umkhonto weSizwe.

The bulk of the refugees are young males in the 15 to 20 age group, although there are some young children and a number of elderly people.

This large influx of refugees is causing serious problems for the ANC, the Botswana Government and the agencies which assist them. The UN High Commission for Refugees (UNHCR) is presently gearing itself to assist in the repatriation of South African exiles. It does not have the resources or budget to handle the dramatic increase in new refugees.

According to Nhlapo's administrative secretary, Oupa Mokou, logistical problems involved in dealing with the large numbers mean a long stay for the new arrivals at Dukwe, 100km northwest of Francistown.

At present there are more than 500 ANC-aligned refugees in Dukwe. In the past, the ANC never had more than 30 to 50 people in the camp.

The camp was established in the 1970s, mainly to cater for refugees fleeing the Zimbabwe liberation war.

Now the bulk of the camp's population is made up of the South Africans, with some Angolans, Basotho, Zaireans, Somalians and Malawians.

The camp includes within its boundaries a hospital, bakery, primary and secondary schools and a police station. The facilities also serve the surrounding community.

Mokou says the new refugees enter Botswana with the impression they will be in transit for a few days before moving on to Zambia. The delay in shipping them out has created serious problems.

"The rate of new arrivals returning to South Africa after declaring themselves refugees is unprecedented," says Mokou. This has led to a strain in relations between the ANC and the Botswana Government which is concerned about the security implications of this influx of refugees.

But Mokou says the ANC's position is that it will not stand in the way of those who want to return. It advises them to report to the ANC headquarters in Johannesburg.

They are asked to discourage others who may be thinking of leaving the country. - AIA

More <sup>(3)</sup> fleeing SA than ever

before

# Botswana trade surplus facing its first decline

By Sven Lünsche *SPV 9/4/91*

The lower quality of diamonds mined by De Beers Botswana Mining Company (Debswana) could result in Botswana's first trade deficit for a decade.

The London-based Mining Journal says in its latest edition that the lower quality of stones mined last year was expected to produce a 24 percent drop in mineral revenue for 1991/92.

"This could well result in the country's first trade deficit in nearly 10 years," the journal says.

Botswana has consistently reported a surplus over the last decade, largely as a result of its strong diamond exports, supported by firm international gem prices.

In 1989/90 Botswana earned 33 percent more from diamond exports, despite a small decline in the value of CSO sales worldwide.

Last year its current account surplus was nearly \$3 billion, coming in the main from gem-quality diamonds, with a \$100 million contribution from exports of beef to the European

Community.

The surpluses have enabled it to build up foreign exchange reserves totalling \$2,6 billion, equivalent to almost 30 months' import cover.

SA's reserves, by comparison, cover just over one month's worth of imports.

Botswana's wealth has been attributed to the special agreement reached with De Beers, which resulted in an equal partnership of the two parties in Debswana.

In addition, Debswana has two seats on the main board of De Beers and has its diamonds marketed and sold through De Beers' Central Selling Organisation (CSO) in London.

In 1990, Debswana's three mines produced a record 15,9 million carats of diamonds, but total diamond exports fell by 200 million pula to 2,6 million pula, equivalent to a 12 percent decline in US dollar terms.

This is attributed by Botswana's Minister of Finance and Development Planning, Festus Mogae, "to variations in the types and mixes of stones recovered at the mines".

Mr Mogae says, however, that some of the factors adversely affecting grades are of a temporary nature.

"Diamond output has now stabilised and any growth in revenue in the medium term will have to come from higher grades, rather than from higher production volumes," Mr Mogae says.

Detailing the production outputs of Debswana, the Mining Journal says volumes last year were nearly 2 million carats above original estimates.

Jwaneng mine increased its output from 8,4 million carats to nine million carats, while output from Letlhakane mine was 15 percent higher at 0,9 million carats.

Production at Orapa was virtually unchanged at six million carats.

"Further production increases are expected at Jwaneng when the new recrushing facilities reach capacity this month.

"However, this is not expected to produce a large net addition to diamond production," the Mining Journal says.

# EC loan to meet capex needs of Botswana firm

81004 9/4/91

LIZ ROUSE

BOTSWANA RST's subsidiary, BCL, which produces nickel, copper and cobalt, will have access to a special EC loan of 55-million pula to meet its capital expenditure over the next few years.

Chairman Malcolm Bayliss says in his annual review that the loan, negotiated by the Botswana government, was formally approved by the commission of the EC in July 1989 and a draft loan agreement is close to finalisation.

## Insufficient

The onlending terms between the Botswana government and BCL have yet to be agreed.

The only source of funding immediately available to BCL is its working capital reserve which may prove insufficient to fund necessary capital expenditures as well as to maintain operations if metal prices show continued weakness, says Bayliss.

Capex in 1990 was 27,5-million pula and estimated capex in 1991

amounts to about 21,6-million pula.

The bulk of spending this year will be on mining projects, including the completion of the Selebi North mine and continuation of Phase 11 of the 250-million pula project at the Selebi mine.

These projects are required to maintain capacity production levels, says Bayliss.

Botswana RST plunged into a loss of 148,7-million pula in the year to December 1990 compared with a profit of 92,8-million pula in 1989.

BCL has substantial accumulated losses which have led to an extremely high burden of group debt.

Botswana RST's interest charges in 1990 came to 34,2-million pula and the group's accumulated losses at the end of December amounted to 1,4-billion pula.

That means that payment of ordinary dividends is out of sight. The company has never paid a dividend.

Bayliss says the present outlook for base metals prices in 1991 is not encouraging.

He says argument concerning the world economy is centred on how serious the current business recessions in the industrialised world are going to be.

In addition, any further weakening of the US dollar would reduce sales revenue in pula terms.

He says high levels of inflation in southern Africa and rising costs in Botswana have significantly raised the level of metal prices required for BCL to cover operating costs.

## Future

In addition, BCL will have to spend vast funds in the next few years to maintain adequate ore supplies for the future.

It is in the Botswana government's interest to help rescue the mine because of royalty payments, which are usually substantial (11,1-million pula in 1990 and 20,07-million pula in 1989), as well as the provision of work.

## Bushmen 'ill-treated'

A ROW has erupted in Botswana over discrimination against bushmen, despite government policy recognising them as equal citizens.

Development expert David Inger recently alleged bushmen were tortured by police and wildlife officials. He urged affirmative action for their protection.

Permanent secretary for local government, Pelonomi Venson, said the government realise that

the Basarwa (bushmen) are disadvantaged" but it was not government policy to discriminate against them. *Open 21/4/91*

"Unless strong affirmative action is taken to help the Basarwa, recognising that they need a unique form of assistance, then they may disappear," warned Inger.

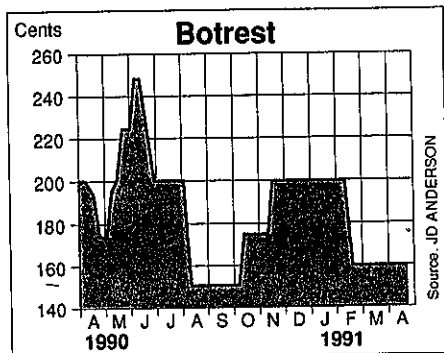
Inger said bushmen were often imprisoned without the option of a fine and had no access to legal counsel. —Sapa

BOTSWANA RST Fm 315791

## SAME OLD STORY (12)

After the joy of recording a net profit of Pula 92,8m in 1989, base metal producer Botrest returned to "normality" last year, posting a net loss of P148,7m as the company's familiar tale of woe was repeated.

Operating profits were wiped out by an overwhelming combination of royalty and deferred royalty payments, along with interest and deferred interest payments. At least this time the currency fluctuations worked in Botrest's favour — but it's all pretty aca-



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Fm 315791 (12)

**Activities:** Base metal mine in Botswana.  
**Control:** Anglo American Corp and Amax.  
**Chairman:** M B Bayliss; **MD:** M A Foreman.  
**Capital structure:** 17,9m ords. Market capitalisation: R28,6m.  
**Share market:** Price: 160c. 12-month high, 250c; low, 150c. Trading volume last quarter, 1 200 shares.

Year to Dec 31	'87	'88	'89	'90
Loans and int (Pm)* ..	977	1 313	1 375	1 551
Acc deficit (Pm) .....	1 165	1 347	1 254	1 403
Turnover (Pm) .....	129	421	431	256
Metal prod (000t) ...	35,6	47,3	39,0	37,6
Earnings (c) .....	139 (1 018)	515	(826)	
Dividends (c) .....	nil	nil	nil	nil

\* 1 Botswana pula equals R1,36.

demically to everyone except the employees and major shareholders, Anglo American Corp and Amax. This company is never going to pay a dividend.

The only justification for buying into Botrest would be a hope that the unexplained miracle that drove the share from 45c to 550c during 1987 might be repeated. The price is still drifting down from that boost and, on fundamentals, should drop further. However, as has been shown before, fundamentals don't apply here.

Botrest may have to take on yet more debt this year to fund capital expenditure needed to maintain its ore reserves, which may cost more than the mine's working capital reserve of P43m. The consequence of not maintaining reserves would be a drop in future metal production, which could endanger the mine's operating profitability. The group is getting a P55m loan from the European Economic Community through the Botswana government.

Brendan Ryan

# Just who are the Bushmen?

**A DISPUTE** involving three farms on the western edge of the Kalahari has revived the debate on exactly where the Bushmen fit into Botswana society. Are the Basarwa people - as they are called - part and parcel of the Botswana nation or do they have a culture of their own which needs special protection?

**By BARNEY MTHOMBOTHI  
Sowetan Africa News Service**

Until the 1970s bands of Basarwa roamed around the Kalahari, living by hunting and gathering. Since then, however, various factors including the government's wildlife protection policies and the spread of cattle and hunting areas have forced them to abandon their traditional life-style.

They now live in government-designated permanent settlements close to Ghanzi in the Kalahari. Conditions in these settlements are said to be harsh. They have been surviving mainly on government handouts, now discontinued, and spend the little money they have on alcohol.

# the Bushmen?

12  
Sowetan Africa News Service

Rural development activists allege that young women are collected from the settlements "for the weekend pleasure of government officers" and the sale of beer at outrageously high prices by people in government vehicles. There have also been allegations that some Basarwa caught hunting have been tortured by police and wildlife officials. Free hunting permits, which include details of protected species, are available from the Department of Wildlife and National Parks.

The permits are in English, but most Basarwa people are illiterate. In an attempt to improve their lot, the Ghanzi District Council last year set aside three farms for the development of projects to create jobs by a group of non-government organisations - such as cattle rearing, game ranching and forestry.

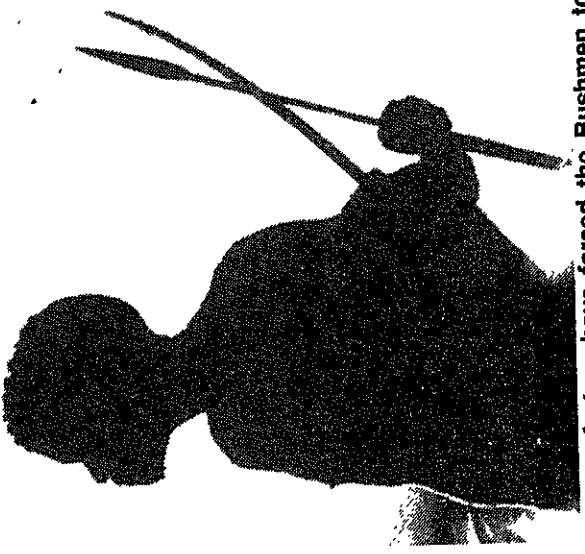
But early this year, it was learned that a consortium of businessmen was also interested in the farms for commercial purposes. Junior government ministers were sent to Ghanzi to twist arms and to get the council to rescind its original decision. It later transpired that

the consortium included the Botswana Minister of Labour and Home Affairs, Mr Patrick Balope, Mr Anderson Chibua, a former district commissioner in Ghanzi and Mr Johnny Swartz, a member of parliament for the area. The authorities have now backed down and the Basarwa will get their farms after all, partly because the Ghanzi District Council stood its ground and also because the government was embarrassed by the disclosure.

**Hinted** International aid organisations are also understood to have hinted strongly that aid allocation to Botswana may have to be reviewed if the project as initially envisaged did not go ahead. This issue has rekindled the debate on the treatment of the Basarwa, a sore point in a country which prides itself on having an unequalled record of civil liberties on the continent. The permanent secretary in the Ministry of Local Government and Lands, Ms Pelonomi Venson, said her government regarded the Basarwa as Botswana citizens with full rights to land and other services. It was therefore not government policy "to develop Basarwa sepa-

rately and to keep them in isolation from other communities". A rural development expert, Mr David Inger, however, has argued that "equality of opportunity for all" largely meant equality for those who were educated, prosperous and understood how to use the system and the Basarwa were none of these. He called for affirmative action which would recognise that the Basarwa were of a different culture and had a right to exercise it. Because of torture, he said, many Basarwa now fear to go hunting "even though it is their primary

"One hesitates to use emotive phrases such as 'genocide by neglect', but unless strong affirmative action is taken to help the Basarwa, recognising that they need a unique form of assistance, then we may see the disappearance of a gentle people whose culture was also unique."



Various factors have forced the Bushmen to abandon their traditional lifestyle.



# Bushmen to get their Kalahari farms after all

Argus Africa News Service

GARORONE.— A dispute involving three farms on the western edge of the Kalahari in the Ghanzi district of Botswana has revived the debate on exactly where the Bushmen, or Basarwa as they're called, fit in in Botswana society.

Are the Basarwa people part and parcel of the Batswana nation or do they have a culture of their own which needs special protection?

Until the 1970s, bands of Basarwa roamed around the Kalahari, living by hunting and gathering. Since then, however, various factors including the government's wildlife protection policies and the spread of cattle and hunting areas, have forced them to abandon their traditional lifestyle.

They now live in government-designated permanent settlements close to Ghanzi in the Kalahari. Conditions in these settlements are said to be harsh. They have been surviving mainly on government hand-outs, now discontinued, and spend the little money they have on alcohol.

In an attempt to improve their lot, the Ghanzi District Council, under

whose jurisdiction the bulk of Basarwa people live, last year set aside three farms for the development by a group of non-governmental organisations of projects to create jobs, such as cattle rearing, game ranching and forestry.

A full-time co-ordinator for the project was appointed and a grant was received from the Norwegian government for preliminary work on the farms.

But early this year it was learned that a consortium of businessmen was also interested in the farms to develop them for commercial purposes. Junior government ministers were dispatched to Ghanzi to persuade the council to rescind its decision.

It later transpired that the consortium included a cabinet minister, a member of parliament and a former district commissioner.

The authorities have now backed down and the Basarwa will get their farms after all, partly because the Ghanzi District Council stood its ground and also because the government was embarrassed by the disclosure of the involvement of senior government officials in the business consortium.

ARGUS  
16/5/91

# De Beers moots R450m scheme

BOTSWANA's diamond giant Debswana is to investigate the possibility of expanding its Jwaneng mine by 33% in a R450m development programme, says De Beers Centenary. **1024 171791**

Announcing renewal of its five-year diamond sales contract between De Beers Centenary, Debswana and the Botswana government yesterday, the group said that, subject to a feasibility study, the development would cost 325-million pula, funded jointly by De Beers and Botswana.

This is the fourth contract signed by De Beers Centenary in the past year. The others were with Angola, the Soviet Union and Australia.

If the planned development gets the green light it will mean Jwaneng's 9-million carat a year production capacity will be boosted to almost 12-million carats.

It is reported to be the Western world's richest mine, producing high quality gems.

The renewed agreement is to market all of Debswana's 16-million carat annual diamond production and follows months of

ANDREW GILL and  
JOHN CAVILL

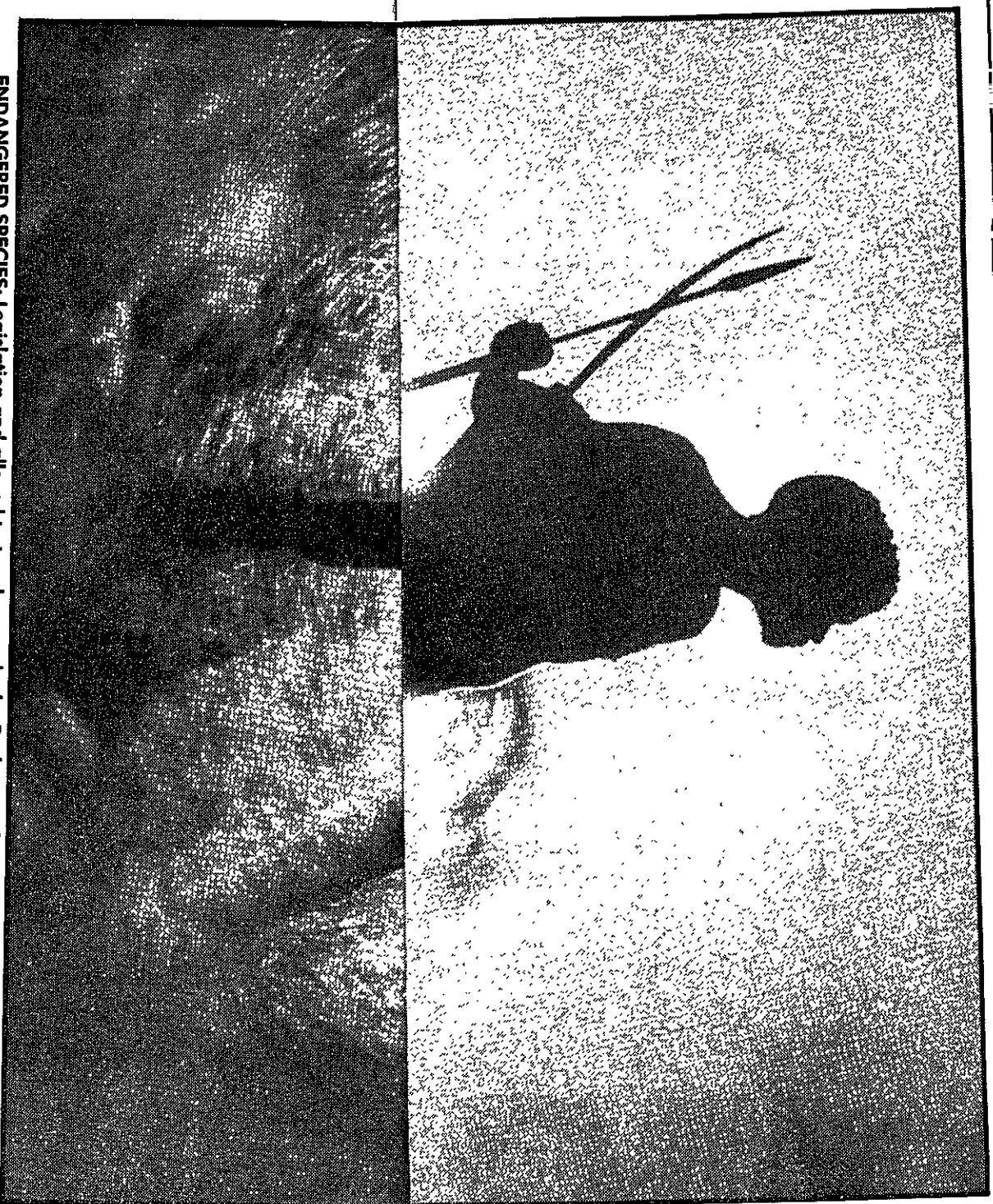
speculation about a rift between the two partners. **12**

It means that there will be no independent marketing of a portion of Botswana's gems to give the government a "window" on diamond prices, as some MPs in the Gaborone parliament had urged.

It effectively seals De Beers' grip on the diamond sales market through the Central Selling Organisation (CSO) representing more than 80% of the world's sales.

Debswana, jointly owned by De Beers and the Botswana government, owns three mines — Orapa, Letliakane and Jwaneng — which produce about 16-million carats of the world's annual 100-million carat production.

De Beers Centenary chairman Julian Ogilvie Thompson praised the Botswana government for "the friendliness and courtesy which characterised these negotiations and which reflect the co-operative nature of our longstanding relationship".



**ENDANGERED SPECIES:** Legislation and alleged torture has made the Bushman afraid even to venture out and hunt.

# Bushmen search for place in Botswana sun

A DISPUTE involving three farms on the western edge of the Kalahari in the Ghanzi district of Botswana has revived the debate on exactly where the Bushmen — or Basarwa as they're called — fit in in Botswana society.

Are the Basarwa people part and parcel of the Batswana nation or do they have a culture of their own which needs special protection?

## Wildlife policies

Until the 1970s, bands of Basarwa roamed around the Kalahari, living by hunting and gathering.

Since then, however, various factors, including the government's wildlife protection policies and the spread of cattle and hunting areas, have forced them to abandon their traditional lifestyle.

They now live in government-designated permanent settlements close to Ghanzi in the Kalahari. Conditions in these settlements are said to be harsh.

They have been surviving mainly on government hand-outs, now dis-

continued, and spend the little money they have on alcohol.

There have also been allegations that some Basarwa caught hunting — their traditional means of survival — have been tortured by police and wildlife officials.

In an attempt to improve their lot, the Ghanzi District Council — the bulk of Basarwa people live in areas under its jurisdiction — last year set aside three farms.

They were meant for development, by a group of non-governmental organisations, of projects to create jobs such as cattle rearing, game ranching and forestry.

The organisations appointed a full-time co-ordinator and a sizeable grant was received from the Norwegian government for preliminary work on the farms.

But early this year it was learned that a high-powered consortium of businessmen was also interested in the farms to develop them for commercial purposes.

Junior government Ministers were dispatched to Ghanzi to persuade the council to rescind its orig-

## BARNEY MTHOMBOTHI Africa News Service

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It later transpired that the consortium included a Cabinet Minister, an MP and a former district commissioner.

The authorities have now backed down and the Basarwa will get their farms after all, partly because the district council stood its ground and also because the government was embarrassed by the disclosures about the consortium members.

## Strong hints

International aid organisations are also understood to have hinted strongly that aid allocation to Botswana may have to be reviewed.

This issue has rekindled the debate on the treatment of the Basarwa, a sore point in a country which has long prided itself on having an unequalled record on civil liberties on the continent.

A rural development expert,

David Inger, has called for affirmative action which would recognise that the Basarwa were of a different culture and had a right to exercise that culture.

Because of torture, he said, many Basarwa now fear to go hunting "even though it is their primary source of survival".

He compared the sad plight of the Basarwa in Botswana to that of the Eskimos in Greenland and the Aborigines in Australia.

"We find similar patterns of exploitation, including forced purchase of the minority groups' assets at low prices, abuse of the women and the selling of alcohol at high prices.

"One hesitates to use emotive phrases such as 'genocide by neglect' but unless strong affirmative action is taken to help the Basarwa, recognising that they need a unique form of assistance, then we may see the disappearance of a gentle people whose culture was also unique."

But an academic, Jeff Ramsay, writing in the weekly newspaper, The Reporter, wondered whether

the Basarwahad any culture at all. Given that theirs is neither a single Sesarwa language nor, as far as I know, any ethnic community that has chosen Basarwa as a self-preferred, I challenge anyone to give a logical definition of what constitutes Basarwa culture", Mr Ramsay wrote.

The Basarwa, Mr Ramsay argued, had been involved in the cash economy for a long time.

## Political prisoners

As long ago as 1903, about half of all wage-earners within the protectorate were "Bushmen", and the first southern Africans to sail to Asia and Europe, as well as the first political prisoners on Robben Island, were "San".

"A nation committed to the notion of an indivisible citizenry stands a better chance of collectively approaching the ideal of equality of opportunity for all."

"The poverty of Basarwa culture is rooted in its external conception," he concluded.

# Writer defends Batswana regent

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Sowetan  
2-31-5191

GABORONE - Tshekedi Khama, one-time regent of the Bamangwato, who has been cast as the villain of the piece in the controversy surrounding the marriage of Seretse and Ruth Khama has had a defender from an unlikely quarter.

The marriage in 1948 of then prince Seretse Khama to Ruth Williams, an English office secretary, caused a political and diplomatic crisis.

The fiercely pro-apartheid National Party which had just come into power under Dr D F Malan in South Africa was apoplectic.

Mixed marriages were in the process of being outlawed in South Africa and the prospect of a neighbouring African chief with a white queen, installed by a British Government, was unthinkable.

## Connived

The South African Government was also at the time campaigning very vigorously for the incorporation of the three British protectorates into its territory.

Clement Attlee's Labour government accepted an appeal by the British High Commissioner in Cape Town, Sir Evelyn Baring, to appease the South African Government and block the marriage, or to stop outright his accession to the chieftainship of the Bamangwato tribe.

The banishment of Seretse caused a constitutional crisis in Botswana.

British journalist Michael Duffield did a television documentary on the marriage which also condensed into a book *A Marriage of Inconvenience: The Persecution of Seretse and Ruth Khama*.

It has been accepted all along that Seretse's uncle, Tshekedi

By BARNEY MTHOMBOTHI  
Sowetan Africa  
News Service

FOCUS

Khama, who was regent at the time, had connived with the authorities against his young nephew.

Now Mary Benson, chronicler of the struggle against apartheid in South Africa and friend of the Mandelas, has come to the defence of Tshekedi.

## Conflict

She depicts Tshekedi, not as a man who was horrified by the prospect of a white queen for the Bamangwato or who was out to deprive Seretse of his birthright, but as an energetic regent who was always concerned for the welfare of his people, including that of Seretse, and who was in perpetual conflict with the British Administration.

Reacting from London, where she now lives, to a review of Duffield's book in a Botswana newspaper, Benson, who was Tshekedi's secretary "during the dramatic months in 1951" said she was glad that at last the "disreputable behaviour" of a Labour government in this affair was being exposed.

"Tshekedi has been virtually forgotten except as the obstructive, autocratic uncle of Seretse Khama," Benson writes.

Benson says Tshekedi was forced to leave college and take over the regency at the age of twenty-one when Seretse was four.

He did get "especially contentious" in his dealings with the Resident Commissioner, the dictatorial Colonel Charles Rey.

"Their conflict meant an inordinate waste of energy and time

that should have been devoted to the constructive projects Tshekedi continually generated.

"For instance, in 1931 Rey wanted Seretse to be educated in Rhodesia at a Native college which taught carpentry, agriculture, stock improvements, instead of at Lovedale in the Cape where the standard was remarkably high, and where Cape Natives had the same curricula as European students.

"Tshekedi, aged twenty five, not for the first or last time, bypassed Rey and, directly addressing the High Commissioner in a long remarkable letter, quoted a report on education in East Africa to support his insistence that Seretse attend Lovedale.

"Bechuanaland, he declared, was in need of men 'with intimate knowledge of higher education of literatures of the world and science, rather than have their vision hemmed within their own tiny borders.'"

Benson quotes Tshekedi as telling the High Commissioner: "My desire, as Seretse's guardian and that of the tribe, is that he should be afforded from his boyhood the opportunity of obtaining the best possible instruction."

Benson says Tshekedi was always conscious of his duty to protect the chieftainship for his nephew whom he cared for as a son.

He also fought against British attempts to limit the power of the chiefs and stoutly stood against the incorporation of the three high commission territories - Bechuanaland, Basutoland and

Swaziland - into South Africa.

"And who now recalls that, but for his (Tshekedi's) sending the Rev Michael Scott to South West Africa to assist tribal leaders' appeal to the United Nations, the mandated territory might well have been absorbed into South Africa?" she asks.

Tshekedi's campaign in 1951 against the British government (which had exiled him from Bamangwato territory) was tremendously exciting if dreadfully exhausting.

## Debates

"Brilliant, fiercely energetic, obstinate, humorous, sagacious, he marshalled his arguments as a general would his troops.

"With Michael Scott at his side, he ceaselessly lobbied MPs as well as newspaper editors.

"Within a few weeks, *The Times* carried four editorials supporting his case as well as long letters from him.

"There were debates in both Houses of Parliament, but it took another year's struggle and a change of government before he won the right to return.

"He was then free to add pressure for the return of Seretse; together they worked for the country's development.

"During his notorious clash with the British administration which had Colonel Rey sending for Admiral Evans who sent for the Royal Navy to trundle their guns through the sands of Bechuanaland to suspend the 'insolent' young Regent, the *News Chronicle* commented:

"Tshekedi has opened all our eyes and it was fully time. He has reminded us that Africa is awakening'."

Benson comments: "That was in 1933."

Sowetan's cartoonist Len Sak is on leave. His work will reappear when he returns.

Political comment in this issue by Aggrey Klaaste and Deon du Plessis. Newsbills by Sydney Matlhaku. Sub-editing and headlines by Ivan Fynn. All of 61 Commando Road, Industria West, Johannesburg.

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# Storm over abortion moves in Botswana

Star 27/5/91.

By Barney Mthombho  
Star Africa Service

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GABORONE — An attempt by the Botswana government to legalise abortion in certain special cases has unleashed a storm of protest from church and traditional leaders.

The local press have also been inundated by letters from readers who are mostly highly critical of the Bill.

The Penal Code Amendment Bill of 1990 seeks to allow the procurement of abortion in special cases.

The Minister of Presidential Affairs, Lieutenant-General Mampoti Merafhe, who is piloting the Bill through parliament and who has been addressing kgotlas (public gatherings) around the country, has said more than 200 women die in Botswana every year due to complicated pregnancies and backstreet abortions.

General Merafhe added the purpose of the Bill was not to kill but to save lives in cases of

complicated pregnancies.

But the Bill is encountering strong resistance from religious and traditional leaders.

Tribal elders say the law will encourage promiscuity among young women, and churches argue that Botswana as a Christian country should not legalise abortion.

The Ministers' Fraternal of Francistown, representing 34 churches, this week issued a statement unreservedly condemning the Bill. Its chairman, Bishop SSM Maimela, said the churches took "strong exception" to the manner in which Mr Merafhe was handling the issue.

## 'Brainwashing'

The Minister, he said, was "brainwashing the public with half-truths" and that the issue was being handled in the most undemocratic way.

"We are of the opinion that the government and the proponents of the Bill are misrepresenting the issue to the public. People are not told what abortion is, how it is done and what

its implications are," the statement said.

Bishop Maimela said only those in favour of the Bill were allowed to speak while opponents were rudely shouted down in kgotlas around the country.

People, the churches said, should be allowed to express their views freely on the matter and to engage in any other peaceful steps in order "to protect and safeguard the rights of the defenceless unborn child".

The Batlokwa tribe have already rejected the Bill outright.

Most of the letters to newspapers are against the Bill, which is to be debated in the next sitting of parliament.

One reader put it in a nutshell: "I am against the Bill. It will dehumanise women. It is anti-life and goes against African culture and traditions. As a Motswana, and above all, a Christian, I cannot accept it."

"I have reason to believe that it is forced down the throats of the people."

Another letter-writer was fairly blunt: "Abortion is murder," he wrote.

(12)

(27/11)

## ADE's export drive kicks off in Botswana

ATLANTIS Diesel Engines (ADE) has launched its export drive into southern Africa with the appointment of the group's first engine distributor in Botswana.

Equipment Sales in Gaborone is ADE's first branch outside SA and is part of the group's strategy to open export markets to offset the depressed diesel engine market in SA.

8/02/91 29/11/91  
ADE parts manager Johan Kellerman said yesterday the group was considering

MARC HASENFUSS

appointing distributors in other southern African countries which represented key growth opportunities.

Kellerman said there was considerable interest in ADE's product outside SA.

Replacement parts, marketed as Ade-part, were readily available, and ADE had training programmes for its distributors' service and parts staff, he said.

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Replacement parts, marketed as Ade-part, were readily available, and ADE had training programmes for its distributors' service and parts staff, he said.

Blom 29/5/91

## 67 000 HIV positive cases in Botswana <sup>(12)</sup>

AN estimated 67 000 people in Botswana are infected with Human Immunodeficiency Virus (HIV), which leads to Aids.

According to Dr Matshediso Moeti of the National Aids Control Programme, this figure represents five percent of the 1,3 million population.

The majority of those testing positive are women.

Speaking at a recent two-day seminar in Gaborone, Moeti said most of the people infected with the virus are between 15 and 49 years of

age. *CIPres 2/6/91*  
He said if the infection continued to spread at the present rate, more than 135 000 people would be HIV positive by the end of 1992.

Primary Health Care Director Dr Philip Mmatli reported that more than 200 full-blown cases of Aids have been officially recorded since 1985, when the first case was diagnosed.

Some hospital doctors have said privately up to one in three patients admitted with other serious health problems are testing positive for the virus. — AIA



# Botswana debates legal abortion

17

A BILL proposing the legalisation of abortion under specific circumstances is to be debated next month in the Botswana Parliament.

The Penal Code (Amendment) Bill of 1990 aims to legalise abortion in certain cases. Breaches of the present law carry jail sentences of up to seven years.

The proposed law provides for abortion in the first 16 weeks of pregnancy in cases of rape, incest or defilement, where the physical or mental health of the woman is at risk, or where the foetus would become a "seriously handicapped child".

Presidential Affairs Minister, Lt. General Mompoti Merafhe, has been touring the country explaining the Bill to various communities.

He argues that 500 000 mothers die every year all over the world because of pregnancies. In Botswana about 200 women die yearly because of the same problem.

He has stressed that the proposed law would not be compulsory.

Reactions to the Bill have been varied, but most of the *dikgolela* (traditional councils) have accepted it. Lady Ruth Khama, widow of Botswana's first president, Sir Ser-

itse Khama, argues that the Bill "is not forcing anyone to terminate a pregnancy".

"It is entirely up to the mother and father to decide."

Former MP Goareng Mosinyi supports the bill because it will "terminate the many deaths of our women resulting from complications associated with childbirth".

Without legalised abortion, doctors "will be committing murder to let women die without helping them".

But some Botswana feel the government has failed to consult the people in the preparation of the Bill.

It appears the House of Chiefs and the Law Reform Committee are two institutions which could have been consulted but were not.

A strong Christian lobby has emerged which objects to abortion because of its threat to the sanctity of life which is a "gift from God".

However, the Botswana Christian Council (BCC) in a recent press

release only expressed concern at the inclusion of abortion on the grounds of a birth resulting in a child with a "serious handicap". The BCC felt

the bill was a departure from "our tradition... of compassion and caring for such people".

## Standard set to open bank in Botswana

STANDARD Bank of SA is about to open a bank in Botswana and is believed to be looking at a joint venture with a local bank in Madagascar.

The moves are part of Standard's policy of forging closer links with Africa to capitalise on business and trade opportunities flowing out of SA's improving standing in the continent.

Standard's African Banking Group CE Manfred Schutte said Standard would definitely be setting up an independent operation in Botswana following the recent decision by that country's Central Bank to

By day 5/6/91.

ROBERT GENTLE

grant it a banking licence. (12)

Standard was studying conditions laid down by Botswana. One of these was a requirement that Standard capitalise the Botswana operation with at least 10m pula (R15m), about twice the usual minimum.

Schutte was reluctant to comment on talk of the move into Madagascar.

Standard has a wholly owned subsidiary in Namibia, another 55%-owned operation in Bophuthatswana and a 49% stake in Union Bank of Swaziland.

# Botswana moves to legalise abortions

South 6/6- 12/6/91.

By Alice Mogwe (12)

PUBLIC debate about a bill to be discussed in Botswana parliament next month which aims to legalise abortion under specific circumstances is centred on the need to prevent abortions being used as a contraceptive measure.

The Penal Code (Amendment) Bill of 1990 aims to legalise abortion in certain cases. Breaches of the present law carry jail sentences of up to seven years.

The proposed law provides for abortion within the first 16 weeks of pregnancy in cases of rape, incest or defilement, where the physical or mental health of the woman is at risk, or where the foetus would become a "seriously handicapped child".

Minister for Presidential Affairs Lieutenant General Mompoti Merafhe has been touring the coun-

try, explaining the bill to various communities.

He argues that 500 000 mothers die every year all over the world because of pregnancies.

In Botswana about 200 women die yearly because of the same problem. He has stressed, however, that the proposed law would not be compulsory. Those whose religion and tradition prohibit abortion will be able to make an unfettered choice.

## Reactions

Reactions to the bill have been varied. Most of the "dikgotla" (traditional councils) have accepted it in the hope that it will stop "backstreet" abortions.

Lady Ruth Khama, widow of Botswana's first president, Sir Seretse Khama, argues that the bill "is not forcing anyone to terminate a pregnancy.

"It is entirely upon the mother and father to decide whether to agree with the doctor or not and thereafter the

doctor will go ahead with the abortion to help the mother".

However, some observers argue that the majority of "backstreet" abortions are not carried out for the reasons which the new law would legalise.

Former Member of Parliament Goareng Mosinyi supports the bill because it will "terminate the many deaths of our womenfolk resulting from complications associated with childbirth".

Without legalised abortion, doctors "will be committing murder to let women die without helping them".

Most of the arguments against the bill centre on government's failure to adequately consult the people in its preparation of the bill.

GG Sebeso, a former Member of Parliament, argues that Merafhe, in his tour of the country, has been "informing us of government's decision on it.

"He did not tour the country to get

the views of the people, but to persuade them to accept what the bill says".

It appears that the House of Chiefs and the Law Reform Committee are two institutions which could have been consulted but were not.

Likewise, women's lobby groups appear to have been taken by surprise.

## Improved

In Ramotswa, a village approximately 30 kilometres south of Gaborone, the discussions were dominated by women who stressed the need for improved medical services and extensive health education in both the rural and urban areas.

As one critic put it: "People should be taught about the dangers of unwanted pregnancies, instead of committing abortion."

A strong Christian lobby has emerged which objects to abortion because of its threat to the sanctity

of life which is a "gift from God". However, the Botswana Christian Council (BCC) in a recent press release only expressed concern at the inclusion of abortion on the grounds of a birth resulting in a child with a "serious handicap".

The BCC felt the bill was a departure from "our tradition ... of compassion and caring for such people". A highly-placed government official mentioned that the law was aimed to protect those women "who had good reasons to have abortions".

While the limited legalisation of abortion brings Botswana into line with abortion policies in other countries in the region, many feel that full consultation with the people would have resulted in a better bill.

However, it is unlikely the government would have gained support for a law which allowed abortion-on-demand. — A/A

## Clinic a first for Botswana

THE first private medical clinic to be constructed in Botswana is being built in the capital, Gaborone, and should be opened on December 1. (12)

The R40m, 135-bed clinic is owned by a consortium including the Botswana Development Corporation (BDC), Debswana Pension Fund, the Dutch Development Bank (DDB) and Botswana Life Insurance.

The facility will be able to provide treatment in the fields of obstetrics and gynaecology, general medicine and general surgery. Dental facilities will also be available. 6/20/91

Designed by the Healthcare Division of Osmond Lange Architects in Johannesburg, the facility will be staffed and managed by PARC Healthcare, who are based in Dublin, Ireland.

The hospital will have a state-of-the-art radiology department and it is expected that referrals will be made from all over Botswana and neighbouring countries, said John Dovey, MD of Osmond Lange.

yesterday. People braved the cold and walked to work.

Businesses at Selosha and other villages remained closed in the morning. - *Sapa*.

## ANC talks on exiles

12

GABORONE - The president of the African National Congress, Mr Oliver Tambo, arrives in Botswana tomorrow for a three-day visit and talks with acting president Mr Peter Mmusi.

The discussions will focus on refugees and exiles from South Africa.

Tambo is to be accompanied by seven ANC officials. He will also be visiting other Frontline States. - *Sapa*.

19/6/91  
Sowetan



# Botswana in constitutional crisis after citizenship ruling

**GABORONE** — A court ruling affecting women's rights has thrown Botswana into what the attorney-general says is its biggest constitutional crisis.

The ruling, which came in response to an action by a woman attorney whose children had been denied citizenship, invalidates important sections of the Citizenship Act.

And it may have put into question the validity of about 25 other laws as well as the age-old custom of chieftancy succession.

Chiefs have traditionally been succeeded by their oldest sons. Now, any chief who has an older sister could theoret-

cally be challenged by her for the chieftancy.

Also at issue now could be the male right of inheritance, the legal dominance of the husband in a marriage and several other key elements of social tradition in Botswana.

Some in Gaborone are asking whether the ruling is considered to have invalidated the whole of the Citizenship Act, all Botswana have been made stateless persons in their own country. All that is, except those who acquired citizenship through naturalisation.

Attorney-General Molefeti Mokama says the ruling has served to put Botswana into "the biggest constitutional crisis the like of which we have never seen before".

The woman who sparked it all is a Motswana, Uindy Dow, who is married to an American and has three children from the marriage.

The eldest had Botswana citizenship, having been born before the amended Citizenship Act came into effect in 1984. The two youngest were den-

## AFRICA NEWS SERVICE

led citizenship because, although they were born in Botswana, the amended Act says children born to a Motswana woman married to an alien cannot become citizens.

They had to get temporary residence permits every two years. Mrs Dow challenged this in the High Court, claiming it amounted to sexual discrimination, and Mr Justice Martin

Horwitz ruled that the relevant provisions of the Act were in fact unconstitutional.

"I do not think that I would be losing sight of my functions or exceeding them sitting as a judge in the High Court," he said. "If I say that the time that women were treated as chattels or were there to obey the whims and wishes of males is long past."

And it would be offensive to modern thinking and the spirit of the constitution to find that the constitution was framed de-

liberately to permit discrimination on the ground of sex.

Mr Justice Horwitz said the general intention of laws should be "to uphold the morality and the sanctity of marriage and the family — and not have the opposite effect of encouraging illegitimacy, the splitting of families and putting up obstacles in the way of building a family unit."

The judge added that the voice of the constitution "carries higher and further than that of ordinary legislation".

Every pronouncement of a constitution "must be presumed to enshrine a principle of lasting value".

In launching her court action Mrs Dow was given moral support by the leading women's organisation and by the Botswana Christian Council.

The ruling Botswana Democratic Party is now in a dilemma, for it cannot afford to announce Botswana's women, who are a major political force in a country where they outnumber the men while many of

the latter are away in Africa as migrant labour. Lady Ruth Khama, the 18-year-old widow of former President Seretse Khama pressed delight at the verdict. Every child born in Botswana should be a citizen, unless born to foreigners or foreigners on term visits.

Attorney-general M. says no decision has yet been taken on whether to appeal against the judgment. The case may go before the Appeal Court. Mrs Dow's American lawyer, Peter, who strongly supported her action, has maintained a diplomatic silence from the Mochabane

# Unions lead battle for democracy

14 May 28/6 - 47/7  
 A newly published report throws harsh light on the widespread abuse of trade union rights in black Africa — but also underscores labour's vital role in the continent's fledgling democracy movement.

**DREW FORREST reports**

**T**HE shadow cast by apartheid has for too long obscured the international community's perception of the extent of rights abuses in the rest of the African continent.

So comments John Vanderveken, general secretary of the 100-million-member International Confederation of Free Trade Unions, in the preface to the ICFTU's 1991 survey of trade union rights violations.

Life is far from easy for South African unionists. But the report brings home that their plight is in many respects more bearable than that of African counterparts at the hands of African governments.

A vital lesson of the report for the "new South Africa" is the inseparable tie between political democracy and free unionism. Because of their professional interest in social justice, and the fact that they wield independent collective power, trade unions are invariably brought to heel by despotic regimes.

The ICFTU highlights the growing rebellion in Africa against state domination of the labour movement, and the spearhead role newly assertive unions are playing in the battle for multiparty democracy.

By comparison with South America, which the ICFTU identified as the world's most dangerous region for unionists, Africa's record is not too bad. One can only marvel at the tenacity of labour activists in Colombia. 138 were assassinated last year, often by death squads hired by drug barons and landowners.

In Africa, the ICFTU says, a key form of labour repression is the severe restriction or outright prohibition of strikes. General strike bans are in force in Angola, Equatorial Guinea, Liberia, Libya, Somalia and Sudan, while labour-rhine conciliation procedures in countries like Ivory Coast virtually rule out lawful strike action.

Eight officials of the Nigerian power union NEPU were freed this year after receiving life sentences for their role in a 1988 strike.

Bargaining rights are also subject to widespread violation, through demands that agreements meet government-set standards. In Zambia, the pending Salaries and Conditions of Service Commission Act requires state approval of agreements in the public and parasocial sectors.



Numerous African countries restrict international affiliation — in Nigeria, for example, only one union centre is permitted, and this may join international bodies only with the fiat of the military junta. Similar clamps apply in Swaziland, to ensure unions "do not join undesirable organisations".

In Botswana, often styled "Africa's Switzerland", legislation prohibits elected officials from working full time for unions.

The African country with the worst labour record is Sudan, whose military regime dissolved all unions, confiscated their assets, banned strikes and detained and dismissed many unionists after seizing power in 1989.

The ICFTU estimates that up to 300 Sudanese unionists were in detention at the end of last year, many subject to torture and mistreatment in the notorious Shalwa prison. A member of the Sudan Doctors' Union, Dr Ali Fadul, was tortured to death last April, and another doctor, sentenced to death for his role in organising a strike, was pardoned only after world pressure.

The Sudanese government is currently promoting "union preparatory and steering committees", claiming unions are being reactivated. These operate under close state con-

rol. In Liberia, unionists have been prominent victims of "massive and appalling" human rights abuses during the civil war, with many killed, missing or dying of hunger. The headquarters of the ICFTU-linked national union centre was ransacked and damaged by rocket fire.

But the picture is not an unrelentingly sombre one. African workers, Vanderveken comments, "have taken a courageous lead in freeing themselves of systems that institutionalise rights violations as a virtue and pre-condition of development, and rejecting the notion that lingers in the deepest recesses of some colonialist mentalities that Africa is not ready for democracy".

Clearly influenced by events in Eastern Europe, national union centres in Algeria, Benin, Congo, Mali and Niger are throwing off state shackles. Tanzania's President Ali Hassan Mwinyi has publicly backed the reorganisation of the national union federation as an independent, democratic body without ties to the ruling party.

Elsewhere, for example in Mozambique and Zaïre, unions have sprung up outside officially approved structures.

Significantly, the battle for union rights has broadened organically into a campaign for political pluralism and representative rule.

Mali's union centre, the UNTM, spearheaded the pro-democracy movement, and in March this year launched a general strike which toppled the 23-year dictatorship of General Moussa Traore. In Congo, political parties were legitimised after rolling strikes by the formerly state-dominated CSC union grouping.

Battle has also been joined in Zambia, where according to the ICFTU the government has reacted to the Zambian Congress of Trade Unions' vanguard role in the campaign for multiparty democracy by tightening the screws on labour.

The country's new Industrial Relations Act, it says, interferes in unions' internal affairs, undermines bargaining and strike rights, expels unions to administrative dissolution and allows for the arrest without warrant of any one suspected of breaching a ban on essential service strikes.

Particularly offensive, it says, is a provision presuming all unions to have disaffiliated from the ZCTU, and requiring a two-thirds majority for any decision to re-affiliate.

# CURRENT ISSUES



1991						
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## Botswanan people fight for the environment

New Nation (Learning Nation)

5/7 - 11/7/91.

(12)

Botswana is often presented as a model which other African countries could follow. After independence it was listed as one of the world's poorest countries, but today it has a healthy economy; or does it? Botswana is one of the few African countries to export more than it imports, but who benefits from the Botswanan economy?



A rare fish eagle in the Delta

Many Batswana live in poor conditions and the economy depends almost entirely on the export of beef and diamonds. The large cattle herds have been established on loans and aid from European countries and the diamond industry is controlled by South African multinational De Beers. Both the beef and the diamonds are exported from Botswana, while Botswana must import many basic necessities.

Most of Botswana is a desert, but in the north the Okavango Delta and Chobe River support a wide range of animals and plants. The delta, one of Africa's last unspoiled wilderness areas, is of great value to the country as it attracts tourists from all over the world. It is also a storehouse of valuable species, many of which are almost extinct in other parts of Africa.

Late in 1990, the Botswanan government announced plans to dredge the Boro River which drains water from the delta. The government claimed that the water was needed for the cattle industry and for the diamond mine at Orapa. Opponents of the scheme point out that scientific evidence suggests that this plan would turn the fertile delta into a wasteland and destroy this valuable resource forever.

Local villagers remember the last time the Boro River was dredged. In 1972, Anglo American dredged a portion of the river near the village of Diadura. Today the area is a silt covered wasteland described by a government report as "seriously degraded".

A report written by the Australian Snowy Mountain Engineering Company does not mention this example and does not respect the interests, wishes and knowledge of the local population. More than one thousand people rely on this river for water, food and irrigation. If the plan goes ahead, they will lose this source of water and will have to go out and find work elsewhere.

Snowy Mountain Engineering claim that the water must be sold to De Beers if the scheme is to work. When pressure began to mount against the plan, De Beers tried to back out, claiming it did not need the water.

When the plan was announced, people immediately began to protest. The loudest protests seemed to come from the Safari companies who make a

living taking tourists around the delta, from South Africans concerned about the destruction of wildlife, and from foreign groups such as the international environmental organisation Greenpeace. Greenpeace went so far as to threaten a boycott of Botswanan beef and diamonds. In the past, the organisation has been successful in using this strategy against companies and countries that threaten the environment.

Very little protest was heard coming from local residents and from the people of Botswana. Then a *kgotla* or tribal meeting was held to sound out the people of the area. In the shade of Mopane trees outside the small town of Maun, more than 500 people gathered to hear about the plan and to make their feelings known.

For seven hours Archie Mogwe, the Botswanan Minister of Mineral, Energy and Water Affairs, and the people of Ngamiland argued and debated, the minister trying to serve the needs of industry and the people trying to protect their river.

A Mr M Mpho summed up the people's feelings when he said, "Don't think that a war in the Gulf will overshadow any dredging. If dredging starts there will be war here as well."

With world opinion against them, the Botswanan government has turned to its own people for support. **The people of Botswana said No! They were not willing to sacrifice the environment, their own life support system, for short-term economic gain.**

The Botswanan government backed down, and in a joint statement with Greenpeace, they announced the cancellation of the project. The interests of the environment had been upheld by the people of the country, and the people had defeated large industry and their own government.

This incident was important as it shows how the conservation of nature in Africa is not only a white colonialist practice, but serves the interests of all Africans. **We depend on our environment and therefore cannot afford to exploit it for short-term gains.**

While the destruction of the delta by dredging

has been put off for a while at least, the wildlife of Botswana still faces a serious threat. Fences have been erected throughout the country to prevent the spread of the deadly foot and mouth disease. The fences were paid for by the European countries which buy beef from Botswana. These fences do not fully protect the cattle from disease and are a disaster for the local wild animals.

The fences cut across the paths which wild animals such as Wildebeest use in their yearly migrations. When the dry weather sets in, these animals cannot move to water, so tens of thousands die every year. Their corpses are found tangled in the wire fences.

The Botswanan cattle herd does not really benefit the average citizen. Most of the cattle are owned by large commercial ranches, many of which are owned by government officials. **Eager for the profits from the beef, these people are willing to sacrifice the Botswanan environment, and the Europeans get cheap beef.**

Luckily there is an alternative. Local wild animals can be commercially farmed for meat. This method, called game ranching, has been practised successfully in Kenya, Namibia and South Africa. The local animals are far better suited to local conditions and do not need expensive medicines and dips. They also need less water and can live off the veld, unlike cows. Game ranching has been shown to merge conservation with the need for food and money. Unfortunately, the large markets in Europe are for beef, so all the aid from European countries goes into the beef industry and the destruction of the environment in countries such as Botswana.

We can now see how conservation can serve the interests of the people of Botswana and other countries in southern Africa. We are all responsible for seeing that South Africa does not make the same mistakes that other countries have made and that we find a way to protect the environment in a way that serves the people.

### New words

**dredge:** to clean out (from river bed)



## Sentence doubled

GABORONE — A hired South African assassin, Lennox Magubane, has had his 7-year jail term doubled by the Botswana Court of Appeal.

“We would have imposed a sentence above 20 years for the offence of attempted murder in these circumstances,” the judges said. *So we can*

Magubane was hired by the South African Police to spy on and assassinate exiles of South African liberation movements in Gaborone. *Sapa*

(21) (12)  
**Askari's**  
**sentence**  
**doubled**

Star Africa Service  
10/7/91

GABORONE — The Botswana Appeal Court has doubled the sentence of a South African hit-squad member, Lennox Magubane, who had appealed against his conviction and seven-year sentence for attempted murder.

Magubane, a self-confessed hired assassin and Askari (turned ANC member), was sent to Botswana two years ago to eliminate four ANC members. He was to receive a reward of about R25 000 for each victim.

He received arms and ammunition. He succeeded in wounding one man but was arrested on his second visit to Botswana.

Appeal Court president Mr Justice Amissah said: "The original sentence induced a great sense of shock when that offence, but for luck, would have been plain, cold, calculated murder without a single extenuating circumstance."

COMP

**IGI Botswana  
surges ahead**

8/5/91  
19/7/91 LIZ ROUSE (12)

IGI Botswana, Botswana's largest insurance group quoted on the country's tiny stock exchange, surged ahead in the past year.

Taxed profit leapt by 62% to 2,58-million pulas in the year to March from 1990's P1,59m, and total distribution for the year was raised to 10 thebe from eight thebe.

Gross premium income of the short-term division rose to P28,7m (P21,4m). The life division increased gross premium income from P12m to P15,4m.

Stockbrokers Botswana reports that a new share will be listed, Botswana Insurance Holdings (in which Southern Life has an interest), on the small stock market which consists of Barclays, BGI, FSC, IGI, Inco, Sechaba, Sefalana and Standard.

The highest priced shares, Barclays and Standard, seem to dominate market activity.

# Anglo seeks tax break for Botswana mining

SITimes 21/7/91

By IAN ROBINSON

ANGLO American Corporation needs tax concessions from the Botswana Government to develop a major copper-nickel mine.

Tati Nickel is talking to the Botswana Government about tax incentives to develop the Phoenix project because the economics of developing the deposit appear marginal.

It would be mined as an opencast operation. Trial mining and further exploration are needed to extend the mining area.

Because of the lack of water it will be necessary to reduce plant throughput. Tests are being conducted on a trial magnetic separation plant.

Anglo chairman Julian Ogilvie Thomson's 1991 statement, released this week, says the corporation has acquired the major owner's interest in the Selkirk Phoenix nickel-copper deposit owned by Tati Nickel 50 km east of Francistown in the eastern part of the country.

It was previously reported in Anglo's 1991 report that the Selkirk deposit, managed by BCL Ltd on behalf of Tati Nickel, was being mined at a rate of 60 000 tons a year.

Selkirk Phoenix is about 90km north of

Selebi Pikwe where BCL operates a copper-nickel mine with annual production of 3,45-million tons of ore. It is the largest base-metal mine in Botswana.

AAC is also prospecting for base minerals in the Ghanzi area, 100km south-west of Maun in northern Botswana. It is looking at copper mineralisation previously investigated by Anglovaal, US Steel and RTZ.

## Shallow

Although the potential is large and mineralisation is similar to that of the Zambian Copperbelt, the average grade is low (2% Cu).

Anglo has carried out an aerial survey and has four drilling machines in the area. Geologists are looking for extensions of the deposit covered by Kalahari sand.

Because of the lack of infrastructure and water it would be necessary to find higher grade (3-4% Cu) or shallow areas which could be mined by opencast methods.

mining as  
Genmin hosted a previous  
visit by a South African  
101

# Anglo seeks tax break for Botswana mining

By IAN ROBINSON

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...tract with Russia and  
 ...Commerce and Industry,  
 ...old Russia  
 ...ax credits  
 ...foreign competitors  
 ...equipment for free, courtesy



## COMPANIES

### Lower copper price adds to Botrest losses

<sup>5 (page)</sup> <sup>6 (8/91)</sup>  
BOTSWANA RST (Botrest) ran into higher production costs and a declining copper price with the result that net attributable losses increased to 252-million pula from the 1990 half-year's 62,9-million pula.

Contributing to the widening of Botrest's loss were royalty payments and a sizeable interest bill.

The group's accumulated deficit of 1,65-billion pula (1,32-billion pula at the end of June 1990) means that payments of ordinary dividends remain out of sight.

There is some hope for the 85% owned Botswana base metal mineral mining company BCL. Botrest directors say in the interim report that negotiations to conclude arrangements to give BCL access to concessionary funding of about 51,4-million pula to meet specified capital expenditure over the next few years, have reached an advanced stage.

BCL's capex over the six months amounted to 12,1-million pula and was funded internally. A working capital reserve (which funds capex) of 43-million

<sup>(12)</sup>  
LIZ ROUSE

pula was retained by BCL at the end of June 1991 and available cash of 8-million pula was distributed in payment of royalties and loan interest.

Production from the Phikwe, Selebi and Selebi North mines kept the mill fully occupied and tonnage of copper and nickel ore milled was the second highest recorded for a six-month period.

Sales were up at just under 124,67-million pula (118-million pula) but a 12,4% rise in production costs resulted in a lower operating profit of 26,3-million pula (29,1-million). Royalty payment of 6,07-million pula (nil) and interest bill of 2,1-million (23 000 pula) further reduced profits.

Further down the line, Botrest is burdened by 117,5-million pula (106,8-million pula) royalty accrued but deferred for payment and 151,72-million pula unrealised currency exchange fluctuations compared with a credit of 20,3-million pula in the 1990 half-year.

**Southern buys**  
Blocus 7/8/91 28  
**Botswana stake**

SEAN VAN ZYL 12

SOUTHERN Life has acquired a 10,1% stake in a Botswana-based composite insurance company through the financial rand for just more than R4m, says a statement issued by the assurer.

Southern bought about 1,18-million shares — at the Botswana pula price of P2,15 a share — of Botswana Insurance Holding's (BIH) issued ordinary share capital of 11,85-million shares, according to the statement.

BIH recently applied for a public listing, and had offered 3,85-million ordinary shares at P2,15 a share through a public offer and private placing. BIH, which forms the holding company of short-term insurer Botswana General Insurance and life company Botswana Life Insurance, will be listed on the Gaborone Stock Exchange on Friday.

Southern executive director Arie van der Zwan said that the move reflected Southern's confidence in southern Africa.

BIH MD Jim Parton said that he was delighted with the company's newly formed association with Southern.

# Botrest surviving but losses mount

Jan 28/91

12

Botswana RST (Botrest), the nickel and copper producer which has done so much to uplift Botswana's economy, is doing well in spite of its loss of P252 million (one pula is roughly equal to R1,41) in the six months ended June, say analysts.

This loss brought its accumulated deficit to P1,65 billion, which might frighten many lesser companies but leaves Botrest relatively unconcerned.

One reason is that this money is owed to its two principle shareholders, Anglo American and the American company Amax, who would stand to lose more by foreclosing on this debt than by leaving the situation as it is.

A second reason is that it is mainly a "paper debt" or book entry, say analysts, as it reflects unpaid interest on loans, and not actual cash invested in Botrest by its shareholders.

Moreover, as Anglo American and Amax are believed to have written off their original loans of P197 million some years ago, the fact that they are not being paid interest on these loans has no effect on their own accounts.

However, it is clear they stand to reap a windfall should Botrest should ever start making big money. In those circumstances, the two companies

Diagonal Street

DEREK TOMMEY



could expect their loans repaid — plus accrued interest.

In the meantime Botrest is surviving well in spite of a continued low nickel price and a declining copper price. In the six months ended June it had an operating profit of P26,3 million, only slightly down from the P29,2 million earned in the first half of last year.

Profit before deferred royalty, deferred interest and unrealised currency fluctuations, but after the payment of P6,1 million (1990 nil) in royalties to the Botswana Government was P18,5 million (P29,9 million).

Profits of this size, together with the likelihood that it will get an EC grant of P51,4 million, should keep Botrest going comfortably until metal prices improve and its profits start running into big figures.

But as Anglo American and Amax will first demand payment of the P1,5 billion owing them, Botrest's directors have made it plain that there is nothing to be gained through buying Botrest shares at this stage.



presentable bicycle.

Just five years from now, if inflation continues on its rampant course, R1 000 might just buy a pair of running shoes.

would buy in the year 2000 but how can one get that R1 000 of today to keep its value into the next millenium.

"The answer lies in constantly re-

Assuming an average growth rate of 15 percent over the next five years, by 1996 the amount would grow to R105 850.

# Botswana metal industry doing well despite loss of R354-m <sup>(12)</sup> ARG 10/8/91

**DEREK TOMMEY**

Weekend Argus Correspondent

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CLAMPED UNLESS YOU TO THE RIGHT OF THE LINE

With some sense of tone for this purpose, before

(12) ~~ARG~~ ARG 13/89

## Botswana to investigate setting up joint sugar industry with Namibia

**DALE LAUTENBACH**  
Argus Africa News Service

WINDHOEK. — The Lonrho sugar project on which Namibia had had sweet hopes has not proven feasible for the young nation alone and now neighbouring Botswana has agreed to probe the setting up of a joint sugar industry.

This was announced yesterday by Minister of Agriculture, Water and Rural Development Mr Gert Hanekom.

On March 21 last year, amid the fanfare of Namibia's independence day, Lonrho chief executive Mr Tiny Rowland and Mr Hanekom signed an agreement in principle for the establishment of a sugar industry in northern Namibia.

A feasibility study by Lonrho Sugar Corporation has shown it would not be financially viable to develop a sugar industry for Namibia alone, which has sugar needs of only 45 000 tonnes a year, said Mr Hanekom. Further, with a

price, it would be difficult to establish an export market.

The Lonrho study did disclose, however, that an area of land in Caprivi in northern Namibia would be suitable sugar country. An area of about 15 000 ha was extensively researched and it was planned that water for the project would come from the Zambezi River.

Now Namibia has turned to its eastern neighbour, Botswana, to investigate the possibility of a joint Namibia-Botswana venture for the establishment of a sugar industry.

Mr Hanekom met with his counterparts in Botswana last week and the two governments agreed to look at the creation of a sugar industry in the Caprivi-Chobe area. Further details have yet to be negotiated.

During the discussions Lonrho offered equity participation in the venture to the two governments, said Mr Hanekom. The offer would be evaluated.

# Chinese under Botswana fire

S/Times (Bus) T

18/8/91

By TERRY BETTY

TWO Chinese construction firms in Botswana are causing a furore because they are taking away business traditionally done by home-grown companies.

Competitors claim they also deny jobs to Botswana by using artisans from China.

One source says China Conplant and China State win about 75% of the contracts they tender for — way above the norm of 10%.

The two firms deny this.

The general manager of Botswana Housing Corporation (BHC) — a parastatal that awards tenders for housing and schools — also denies that the Chinese get so much business.

Most of the tenders they win are for State projects.

But another BHC spokesman says the Chinese get at least 75% of the tenders they compete for.

He says their prices are between 10% and 15% lower than those of Botswana firms.

Disgruntled competitors, who are reluctant to be named for fear of losing more State business, say there may

be other reasons why the Chinese are so successful.

China Conplant general manager Wencheng Yang says his quotes are cheaper because "we have not come to Botswana to make money, but to make a contribution to the economy".

A China State spokesman says his prices are lower because of better management.

## Costly

Botswana construction firms say they believe tenders should be awarded to companies that employ and train locals.

Many say they no longer compete for tenders against the Chinese because it is costly.

They say the Chinese are not subject to the same red tape as others when importing labour. One government official denies it, but a labour commissioner says the Government has sometimes made exceptions and relaxed regulations for Chinese companies.

# SA banks in line for BCCI arm

6/12/91 26/8/91  
MELANIE SERGEANT

THE massive financial scandal surrounding the Bank of Credit and Commerce International (BCCI) could end happily for local banks.

Most of BCCI ceased to function on July 5 after regulators discovered some of its executives had committed massive fraud.

BCCI had operations in 62 countries, and most ceased operation, with the exception of Botswana, where the bank was carefully monitored by the Bank of Botswana which has strict banking regulations.

The Bank of Botswana took over the reins on an interim basis, while looking for a buyer of the BCCI subsidiary.

The potential buyers, it is believed, are Standard Bank, First National Bank (FNB) and the Botswana Development Corporation which is heading up a bid by a citizen group consortium.

The consortium is believed to be asking Volkskas to handle the technical or management aspects of the bank's future operations. A source close to the negotiations said Volkskas could buy a stake in the bank.

The Botswana operation is believed to have a net worth of some 14-million pula, but goodwill, its good reputation, and other factors are expected to increase the value substantially.

A party involved in negotiations says a final decision on the deal is expected early next week.

"There are two routes which can be taken. The first would be to approach shareholders and sell the bank off completely. This would be more attractive to the shareholders because

they would be closed to any possible future claims against the bank."

The second approach, which would be more attractive to the successful buyer, would be to extract all assets and liabilities and to retain the services of the bank's staff.

A source said if the bank was bought as a whole it would provide less of a tax shelter.

While Standard Bank of SA and First National Bank have already been granted provisional licences to operate in Botswana, it is expected that they will open shop only next year.

However, there are attractions associated with taking over an existing banking operation because of the high cost attached to setting up infrastructure and of training local staff.

Existing banks in Botswana are Standard Chartered, Barclays, and Zimbank.

# Botswana to curb 'pirate' tour operators

BOTSWANA is putting the screws on tour operators in SA and other countries who are shipping in tourists, collecting their cash and leaving only their rubbish behind.

A new White Paper on tourism represents the first time that the Botswana government has formulated policy for this industry. 8/Dec 26/89

Gaborone's principal tourism officer Utlwanang Mpoloka says the new policy centres on low-volume, high-cost tourism.

"The Okavango Delta is the goose that lays the golden egg for this industry, and we must preserve it," he said.

The White Paper says in 1989 tourism may have accounted for about 2,5% of

MELANIE SERGEANT

GDP, or about 100-million pula, slightly less than agriculture (3,5%) and manufacturing (3,2%).

But tourism could contribute much more to the economy if "pirate" operators — mainly from SA — were prevented from selling tours and paying no taxes.

"Tours must now be operated by companies incorporated, registered and audited in Botswana. We realise the importance of diversifying this country's economy, which is largely dependent on mining," said Mpoloka.

"Foreign tourists who spend much of

their time but little of their money in Botswana are of little net benefit to the country."

In July 1989, Botswana increased its park fees from three pula to 50 pula a day in an attempt to collect meaningful revenue from outside operators. Fees were 30 pula if visitors came to parks with Botswana-based tour operators.

Mpoloka says plans are to prevent road building in the delta, and the 40-odd existing camps will not be augmented before a full study is completed by the Local Government and Lands Ministry.

Mpoloka said Okavango alone would not

□ To Page 2

## Botswana 8/Dec 26/89

bring large numbers of foreign tourists to southern Africa. "We understand it's not a prime destination, and the product is not as diversified as that offered by countries like Mozambique.

"To increase its potential, we're looking at multi-destination packages and piggy-backing on tours to other countries in the region."

This concept is being co-ordinated by the Southern African Development Co-ordin-

12

□ From Page 1

ating Conference's Lesotho-based tourism arm.

With help from the EC, Botswana is being marketed extensively in Western Europe, Germany, France, Italy, the UK and Switzerland.

Rules and regulations regarding the licensing, grading and monitoring of suppliers of tourist accommodation will be set out in a new law which will be introduced by government soon.

## Profit surge puts Barclays back on a firm footing

LIZ ROUSE

12

BARCLAYS Bank of Botswana experienced a resurgence in profits in the six months to end-June following a disappointing 1990. *(Day 26/8/91)*

Taxed profit leapt by 89% to 9,8-million pula from the previous comparable half-year's 5,2-million pula. The interim dividend has been raised by 29% to 11 thebe (8,5 thebe). The bank's total assets increased by 36% to 84,76-million pula from 62,29-million pula at the end of June 1990.

MD Eric Clark said the bank had returned to the levels of profitability that were necessary to continue to support the growth of business.

Improved financial controls continued to be introduced and there would be no relaxation in the management of costs during the rest of the year, he said. The bank also began to reap the benefits of past investment in new products and technology, although it still had to see the improvements expected from new computer hardware.

The increase in the interim dividend was not only a reflection of the improved performance, but took account of the fact that shareholders received no increase in dividends in 1990.

Clark said for the remainder of 1991 income flows were expected to remain strong although he expected that the second-half performance would be solid rather than spectacular.

# Botswana takes a tougher line on tourism

Own Correspondent

**JOHANNESBURG.** — Botswana is putting the screws on tour operators in SA and other countries who are shipping in tourists collecting their cash, and leaving only their rubbish behind.

A new White Paper on Botswana's tourism policy has been produced, the first time that the

government has formulated a policy for this industry which has previously been private-sector run.

The Principal Tourism Officer in Gaborone, Mr Ulwang Mpoloka, says the new policy centres on low-volume, high-cost tourism. "The Okavango Delta is the goose that lays the golden egg for this industry in Botswana, and we must pre-

serve it," he says.

The White Paper says that in 1989, tourism may have accounted for about 2,5% of GDP, or about 100m pula (about R70m), slightly less than agriculture (3,5%) and manufacturing (3,2%).

But tourism could contribute much more to the economy if "private" operators — mainly in SA —

are prevented from selling tours and paying no taxes in Botswana.

Tours must now be operated by Botswana-registered companies, said Mr Mpoloka.

Mr Mpoloka says plans are to prevent road building in the Delta, and the 40-odd existing camps will not be augmented before a full study is completed by the Ministry of Local

Government and Lands which is formulating a land use plan to ascertain the carrying capacity of the region.

Rules and regulations regarding the licensing, grading and monitoring of suppliers of tourist accommodation will be set out in new law which will soon be introduced by the government.

# Profits surge for Barclays of Botswana

⑫ CT 26/8/91

Own Correspondent

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THEO RAWANA

LAST week's conference of the National African Federated Chamber of Commerce (Nafcoc) left no doubt that major black political groupings saw the business organisation as a frontrunner in the black liberation effort.

The 2 000 delegates who attended the four-day event at Sun City heard ANC, PAC and Azapo leaders urge Nafcoc to move hand-in-hand with them on the path to ultimate victory.

And the organisation's acceptance of PAC president Clarence Makwehu's invitation to participate in the Patriotic Front conference has placed Nafcoc among the

Nafcoc takes its place in liberation effort

heavyweights in the black cause. Makwehu said the purpose of the Patriotic Front would be "to co-ordinate strategies of transition amongst our liberation movements and to build up support and commitment around our demands for a constituent assembly. It is a front to ensure a total transformation of our society".

He said Nafcoc was on the invitation list. Perhaps ANC secretary-general Cyril Ramaphosa summed up Nafcoc's perceived responsibility when he said people did not expect slogans, rhetoric or ideology from the business organisation.

"They expect to be informed about practical steps that will lead them to acquiring

economic power and nothing less," Ramaphosa said.

He said Nafcoc stood out alone among many business organisations in terms of its record in "waging war against the heinous system of apartheid and promoting the empowerment of black people".

Azapo president Fandelani Nefolovhodwe, warning Nafcoc against white business's efforts to divide black business to suit white designs, said: "It is our view in Azapo that your organisation occupies a special position in the struggle for economic emancipation."

Urging Nafcoc to unite with the other major black business grouping, Fabcos, Nefolovhodwe said: "The fact that Nafcoc

and Fabcos exist as separate entities does in a way serve the interests of big business. Despite your differences, Azapo would like to see greater co-operation between Nafcoc and Fabcos."

Nafcoc president Sam Motsuenyane, speaking on relationships between political and business leaders, said: "In the past there was a mistaken tendency to disregard or underestimate the role of black business as a vital element of the liberation struggle in our country."

"Political and economic freedom can indeed be assumed to represent the opposite sides of the same coin, both are essential and indispensable to the progress and development of a democratic state."

Get an elephant's eye view

ELEPHANT-back safaris in Botswana have identified SA game enthusiasts as their latest target group.

Well-known wildlife conservationist Randall Moore, in SA for a few days, has extended the safari season by two months and laid on a special package exclusively for residents of southern Africa "as my way of saying thank you for all the support we have received from them over the past few years".

The highlight of the safaris is riding on elephants through the Okavango swamps. These are the

DAVE LOURENS

same elephants featured in the ISM commercial and in Clint Eastwood's movie, White Hunter Black Heart. Guests are accommodated in luxury tents.

Numbers are limited to eight guests per safari.

Moore said the tight restriction on numbers had ensured the safaris were always fully booked. He said most tourists had come from the US, but he hoped the safaris would

gain in popularity in SA. In order to cater for South Africans, the safari had been slightly shortened to make it more affordable.

Moore has been involved in the field of wildlife conservation for the past 20 years. He first became an elephant owner in 1979, when his mentor, Dr H Morgan Berry died and he inherited three full-grown African elephants, who formed the nucleus of his current herd in Botswana.

The elephant-back safaris are unique in Africa. The only similar safaris are in Nepal's Chitwan Park.

Oceana Investment Corporation PLC

[Oceana]

Non-renounceable offers to stockholders of up to 16,785,263 new Oceana ordinary stock units

UAI Merchant Bank Limited is authorised to release the following announcement in South Africa:

"The Board of Oceana announces that the Rand subscription price in relation to the Offer of up to 14,387,368 new Oceana stock units to Oceana stockholders [Offer 'A'], which has already been declared unconditional has been set at Rand 48.47 non-nominal stock



# First National wins the race to open in Botswana

8/10/71  
3/9/71 MELANIE SERGEANT 12

FIRST National Bank has won in the race of SA banks to establish operations in Botswana.

The bank will take over the operations of the Bank of Credit & Commerce Botswana (BCCB) from next Monday, having pipped Standard Bank and a group of citizens to the post.

It is understood that the citizen group's technical partner — believed to be Volkskas — became nervous about the possibility of BCCB's undisclosed liabilities, and pulled out of negotiations.

First National Bank of Botswana (FNBB), which will be a wholly owned subsidiary of FNB Holdings, plans to expand FNB's representation in Botswana. BCCB has five branches which FNB will continue to run, but new MD Derek Price says more branches are on the cards.

Details of the deal were not made public. It was believed BCCB had a net worth of about 14-million pula, but that it would fetch a far higher price.

Botswana's assistant Minister of Finance and Development Planning, David Magang, said without the Bank of Botswana running BCCB, the bank would have had to be closed or placed under liquidation, as had happened with other subsidiaries and branches of the discredited Bank of Credit and Commerce International (BCCI) worldwide.

# FNB takes over BCCI in Botswana

Star 4/9/91.  
Star Africa Service

GABORONE — First National Bank will take over the former BCCI affiliate in Botswana, the Bank of Credit and Commerce, on Saturday. ~~12~~ 12

Assistant Minister of Finance David Magang said in parliament yesterday that an agreement had been negotiated between BCCI Luxembourg, First National and the Bank of Botswana, which has been running the Bank of Credit and Commerce after taking over its operations two months ago. ~~12~~

All five BCC branches would be staffed by First National, operating in Botswana as First National Bank of Botswana.

First National already has a licence to operate in Botswana and had planned to start doing so early next year.

Standard Bank of South Africa and ANZ Grindleys Bank have also been granted licences and will begin operating in Botswana next year.

## Botswana probes SA military link with newspaper

By ARTHUR GOLDSTUCK (12) ~~13/9-19/9/11~~  
THE Botswana government has announced it is investigating the Gaborone newspaper, *Newslink*, following *The Weekly Mail's* revelation of its links with South African Military Intelligence.

The country's vice-president, Peter Mmusi, has assured the Botswana parliament that the government would conduct a full investigation, following appeals from MPs for a probe.

The newspaper is published by Magnum Press, but effectively controlled by Dixon-Soule Associates (DSA), an organisation with close links to South African Military Intelligence. Both companies are run by businessman Abel Rudman.

The entire senior staff of *Newslink* has walked out of the paper in the past two weeks, in protest over the company's failure to reassure staff on the allegations.

The editor, Douglas Tsiako, says that, following the exposé, he tried to get Rudman to issue a press statement giving his organisation's side of the story. He also asked Rudman to call a press conference to clear up "lingering doubts". Rudman did neither.

Tsiako confirmed that DSA controlled the entire production of *Newslink*, from typesetting through to editing, and were entirely responsible for regional and international news.

"I never understood why things had to run this way. But they always insisted on handling our copy. We would discuss over the phone how to handle certain stories, especially those of regional interest, but DSA always preferred to have things done their own way."

DSA's control of *Newslink* was first publicly revealed by *The Weekly Mail* following President FW de Klerk's curtailment of secretly funded projects. Managing editor Barry Baxter was suddenly dismissed, on the basis that *Newslink* could no longer afford him. He was paid his final salary from Rudman's personal bank account.

It is believed that *Newslink* is currently being put together almost entirely by DSA, following the resignation of all editorial executive staff, including chief sub-editor Rampholo Molefhe and news editor Eddie Kuhlmann. Only junior reporters remain on the staff.

## Fracas over funds

FOUR Botswana newspapers have now become embroiled in the *Newslink Africa* funding controversy.

In the latest development, *Newslink* editor Douglas Tsiako and sub-editor Rampholo Molefhe have resigned. *CP Press* 15/9/91

And the weekly's publishers served a summons on *Mmegi* for defamation over its story linking *Newslink* to South African Defence Force (SADF) funds.

*The Guardian* has also joined the fracas. (12)

Editor Batshane Ndaba resigned and deputy-editor designate Augustine Mathumo was fired after a heated argument with the management over the *Newslink* story.

Ndaba resigned after he had given an interview to opposition newspaper *Weekly Gazette*. - CP Reporter

## Rocky rejects releases

By THEMBA KHUMALO *CP Press* 15/9/91

BOPHUTHATSWANA president Lucas Mangope's decision this week to conditionally release 19 political prisoners from Bop jails has been dismissed with contempt by former coup leader Rocky Malebana-Metsing.

The former leader of the People's Progressive Party (PPP), who joined the ANC in exile after leading an abortive coup against Mangope three years ago, said he estimated there were 166 political prisoners in Bop, and not 143 as claimed by Mangope.

He said the release was a "hollow gesture to deflect international pressure, especially from US President George Bush".

## Laugh with A...

**A**n attempt to free land on the edge of the desert west of Gaborone for the Basarwa as the Bushmen are called in Botswana, has failed. The failure has occurred amid charges of corruption and government intimidation.

Now the future for these impoverished and marginalised hunter-gatherers seems bleak. Today 80 000 Basarwa live in the Kalahari desert, concentrated in the western Ghanzi district near the border with Namibia. Most survive as poorly paid workers on vast cattle ranches. They have no political representation or institutionalised leadership, that could speak on their behalf.

For the rest, the Botswana government has evolved a special development programme for what are termed "Remote Area Dwellers" to deliver basic social services. But the Basarwa are not village people. The government resource points have turned into here "pit stops" for them. They stay a while using the water, getting some

# Grim future for Basarwa

After 29/9/91 (12)

schooling, attending the clinic, and then head out into the Kalahari again. Over time the effect has been to make the Basarwa dependent, particularly on food aid from the government's "drought relief" programme and from international aid agencies.

Now many people simply sit and wait for things to pass, caught between two worlds. Alcoholism is rife, leading to an increase in wife-beating and domestic violence. When three large ranches in the Ghanzi district came on the market during 1989, non-governmental organisations (NGOs) working with the Basarwa saw an opportunity to provide a self-sustaining base for some of the democratised people.

But the deal had to be cleared by the central government where it met resistance. In a recent development the Ghanzi council reversed its support for the proposal and the farms are being allocated to syndicates. Ghanzi councillor Ramosidi Keakopa says the assistant minister for Local Government and Lands, Michael Tshipinare, recently presided over a council meeting from which NGO

observers were evicted. The councillors were intimidated into reversing their backing for the Basarwa land deal. The councillor alleges one of the syndicates that has now been allocated a farm formally designated for the Basarwa is partitioned by the District Commissioner, who also chairs the State Land Allocation Committee. Government officials have angrily denied accusations of cutting off Basarwa access to land. But it is increasingly apparent that in every case where Basarwa claims to land clash with the ambitions of cattle ranchers, the Basarwa communities lose. The Basarwa are aware of this. Says Komje, an elderly Mosarwa: "The land our forefathers used to hunt in has been converted into private farms

in which we can only enter as beggars. "Our ancient water holes have been blocked with stones and gravel, most have been fenced in the farms from which we have been evicted. Our people were reduced, under force of arms, into squatters on their own land."

Despite vehement government denials, there have been reports that people have died either of thirst, exhaustion or starvation. For those Basarwa working as cheap labour on the cattle ranches, food itself is not a problem. Most workers are paid "in kind". But the prejudice and opportunism of the people settling and farming Basarwa land seems set to ensure the extinction of the hunter-gatherer culture. "One white farmer in Ghanzi puts it this way: "We are always criticised for treating Basarwa badly, but if it was not for the farming community here where would they be? We give them food and tobacco and medicine and clothes. Basarwa farmers treat them worse." - AIA

PLAN FOR PEOPLE



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Open 21/9/91. (12)

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When three large ranches in the Ghanzi district came on the market during 1989, non-governmental organisations (NGOs) working with the Basarwa saw an opportunity to provide a self-sustaining base for some of the demoralised people.

After negotiations, the Ghanzi District Council approved the farms for use by the Basarwa.

Each farm has a nucleus of Basarwa people who have been working as cattle herders. The NGOs proposed to help the Basarwa form co-operatives and build settlements.

But the deal had to be cleared by the central government where it met resistance.

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The Basarwa are aware of this. Says Komje, an elderly Mosarwa: "The land our forefathers used to hunt in has been converted into private farms

in which we can only enter as beggars.

"Our ancient water holes have been blocked with stones and gravel, in most have been fenced in the farms from which we have been evicted. Our people were reduced, under force of arms, into squatters on their own land."

Despite vehement government denials, there have been reports that people have died either of thirst, exhaustion or starvation.

For those Basarwa working as cheap labour on the cattle ranches, food itself is not a problem. Most workers are paid "in kind". But the prejudice and opportunism of the people settling and farming on Basarwa land seems set to ensure the extinction of the hunter-gatherer culture.

One white farmer in Ghanzi puts it this way: "We are always criticised for treating Basarwa badly, but if it was not for the farming community here where would they be? We give them food and tobacco and medicine and clothes. Basarwa farmers treat them worse." - AIA



# Sportsmen had a gutful of Cairo

Star 15/10/91

12

SOME South Africans may wonder whether they really want us to get back into international sport if they hear the tales brought back from the All Africa Games in Cairo by the Botswanan team.

The majority of the 30-member team went down with what South African, British and other non-Egyptian soldiers who served in Egypt during World War 2 used to call "Gyppo guts". This is a rather severe form of diarrhoea that would tend to have an athlete's tummy doing more running than his legs. It would certainly make it impossible for him to produce his best form, even if it allowed him to perform at all.

The ailment is commonly attributed to the local water and to the flies that plague Cairo. But in the case of the Batswana it may also have had something to do with the food, which they found highly unpalatable and inordinately spicy. They had a hungry time in Cairo, it seems.

They also found it difficult to adapt to Egyptian lavatorial facilities, which are technically very different from those in Botswana, being of what one might describe as the drip-dry variety. According to my informants, that seriously discommoded the Batswana.

The haphazard street traffic also bothered them. It especially bothered Ismail Bhamjee, chairman of the Botswana Olympic Committee and treasurer of the Association of National Olympic Committees of Africa (Anoca), who missed the opening ceremony of the Games because he got stuck in a traffic jam.

The Botswanan athletes also complained about the accommodation. One group found themselves quartered on the fifth floor of a building that had no lifts. One can see why this might have disconcerted citizens of a country that on the whole is so flat that they seldom encounter a gradient of more than one in 200. But at the same time it would seem to have offered a good way to keep in peak condition.

Perhaps the Botswanan athletes are spoilt. By comparison, however, South African athletes would be much more spoilt.

And since Cairo is not much different from many other African capitals in its problems and

## Out of Africa

GERALD L'ANGE



amenities (or lack thereof), South African athletes are just going to have to make the best of it when they compete in Africa. It will not be a matter of choice, either — the new South Africa is going to be an African country, affiliated to African sports bodies and having to compete in African sports events if its athletes are going to compete elsewhere internationally.

I wonder what the authorities will do if they find in a spot check for amphetamines that our athletes have been dosing themselves with immodium (that's the favoured muti for runny tummies). Will they be disqualified?

# BCMA 11 are on trial in Botswana

LOBATSE - Eleven members of the Black Consciousness Movement of Azania, appearing in the Botswana High Court on several charges, were body searched in the dock before the in resumption of their case yesterday.

The accused entered court in leg-irons and handcuffs.

The body search was ordered by Mr Justice Gyeke Dako, who said it was the practice of his court to have all accused searched before entering the dock.

"I am doing that from experience," he said.

The main accused is the BCMA's secretary for defence, Mr Nkutsou Petros Motsau (37). The other 10 are Mr Harrison Kgotso Phiri (21) Mr Lewis Lebogang Koalane (23) Mr Neville Alexander

## SA PRESS ASSOCIATION

(19) Mr Nick Bell (29) Mr Bethuel Motaung (24) Mr Vusimzi Thabethe (23) Mr Welcome Rapodile (21) Mr Robert Ndebele (20) Mr Vuyo Katsinya (19) and Mr Plaatjie Mashego, no age given.

Motsau and the first five accused are charged with two counts of conspiracy to murder, two counts of murder and two counts of unlawful burial of persons.

They are also charged, together with the remaining accused, with the unlawful possession of arms and ammunition.

The accused have pleaded not guilty to all the charges.

The State alleges that Motsau and the first five accused conspired to murder Mr Tsakane Seepa and Mr Sizwe Dhlamini.

The State charges that the six murdered the two men between September 1 and October 6, 1990.

The State also alleges that all 11 were found in unlawful possession of a Luger pistol and a Scorpion machine gun.

Sowetan 16/10/91

11A

12

# Detective tells of <sup>(12)</sup> 2 bodies *Sometan 22/10/91* in grave

LOBATSE (Botswana) - The murder trial of 11 activists of the Black Consciousness Movement of Azania resumed here yesterday with the testimony of a high-ranking detective.

Detective-Inspector Ronald Kgati, leading an investigation team, told the High Court police came across a hidden grave of two men on a mountain near Lobatse during a search for an arms cache in October last year.

Kgati said police applied a metal detector to the spot where they suspected arms had been hidden. The device showed negative.

He said: "But because it was obvious that something had been buried there", the investigators started to dig and discovered the bodies of two men believed to be members of the BCMA.

Kgati testified to a packed court in the trial of BCMA secretary for defence Mr Nkutsou Petros Motsau (37) and 10 others. The trial began last week.

The defendants have been charged with murder and unlawful possession of "arms of war" following the discovery of the two bodies.

The trial continues. - *Sapa*.

## De Beers/Debswana split rumoured

Star Africa News Service

12

GABORONE — There is speculation that Botswana could emerge with majority control of De Beers' subsidiary Debswana, sources close to the company say.

*Star 24/10/91*  
Debswana controls diamond in Botswana through its ownership of the three major mines, Orapa, Jwaneng and Letlhakane.

The company is run as a 50/50

partnership between De Beers Centenary and Botswana.

There is speculation that after the split, the relationship will change and give Botswana a controlling interest in Debswana.

This was denied yesterday by a De Beers spokesman who said talks were under way between De Beers and Botswana to re-define the management services offered to Debswana by Anglo-American Botswana.

# Botswana 'needs entrepreneurs'

(12)

Bl Day 6/11/91

DARIUS SANAI

**BOTSWANA** needs to throw open its doors to entrepreneurs if its economy is to develop, according to Small Business Development Corporation MD Ben Vosloo.

Addressing the Botswana Chamber of Commerce AGM in Gaborone last night, Vosloo said the Botswana economy was showing signs of strain after more than two decades of growth.

He said the path to Botswana's economic development lay in diversifying the economic structure to decrease dependence on the mining sector, controlling the flow of mining revenue to prevent inflation and creating more employment opportunities.

More than half of Botswana's GDP (\$1,95bn in 1988) comes from diamond mining revenues, while urban unemployment has risen to 25%.

Botswana had a good political and economic base for rapid development, but needed to release its pool of latent entrepreneurial talent into a

new, flourishing private sector, Vosloo said.

He urged the Botswana government to provide incentives for small business entrepreneurs in the manufacturing, trade and tourism sectors.

He said this would simultaneously stimulate entrepreneurial development, maintain economic growth and diversify the economy.

He also said the removal of government regulations inhibiting the activities of entrepreneurs — on a local and a national basis — was vital for development.

Botswana had many advantages on its side, compared to other southern African states, including a rich mineral base, a 70% adult literacy rate and a stable and democratic political system, said Vosloo.

If Botswana's economic potential was properly harnessed, with the help of entrepreneurs, the country could grow into one of Africa's most prosperous nations, he said.

**Botswana** (12)

**fires 10 000  
strikers** 4/11/91

Star Africa Service

GABORONE — More than 10 000 government workers in Botswana have been fired after going on a strike on Monday for higher wages.

Government operations are believed to have been badly hampered by the absence of the workers, whose Government and Parastatal Manual Workers' Union covers nearly all civil servants who are not in clerical or supervisory jobs.

Much of the refuse removal in Botswana, which is carried out by government employees, has come to a halt.

The dismissal of the strikers was announced last night in terms of the regulations for industrial class workers, which provides for dismissal of employees absent for more than two days without valid reasons.

Workers in nine of the 12 regions of the country have gone on strike. Some estimates put their number as high as 15 000.

They want a minimum monthly wage of R800. At present the minimum wage is about R350.

# European loan for Botswana mine

STimes (buss) 17/11/91 (12)

BCL of Botswana will receive a 21,65-million European currency units (R75,8-million) loan from the European Economic Community (EEC) through the Botswana Government.

The money will finance capital expenditure at Selebi Pikwe copper-nickel mine in the next five years.

Joe Ngidi, chief economist, projects, of the Botswana Ministry of Finance, says the government has signed the financing agreement. The formalities will be completed in a few weeks.

## Lome

Mr Ngidi stresses that the money is for development and not for loan repayment. It is intended to extend the mine's life into the next century through exploiting additional orebodies.

A mine spokesman says capital works will include deepening the shaft and upgrading refrigeration.

The loan was arranged through the Lome Convention which relates to EEC aid to African, Caribbean and Pacific (ACP) countries. The loan conditions oblige BCL to account for the expenditure of the money.

By IAN ROBINSON

Another important development affecting base-metal mining in Botswana is Tati Nickel's decision to go ahead with a trial open pit at the Phoenix mine. This decision follows a feasibility study lasting 18 months.

A Tati spokesman says it was necessary to obtain more information on mineral distribution. The trial mining phase will involve a small operation on part of the orebody and will last from nine to 18 months. The results of this operation will determine whether the company embarks on full-scale mining of the deposit.

Anglo American Corporation and group companies hold a 51% share in Tati Nickel. It is mining the Selkirk nickel-copper deposit at a rate of 80 000 tons a year. The Selkirk ore is toll-smelted at Selebi Pikwe.

Tati Nickel is also talking to the Botswana Government about financial arrangements which could facilitate exploitation of the Phoenix deposit.

Tati Nickel has called for tenders for the trial mining phase at Phoenix and the tender is expected to be awarded by the end of November.

# Threat to 'overvalued rand'

SHARON WOOD

AN OVERVALUED rand could see Zimbabwe's exports to the lucrative Botswana market compete strongly with SA's exports, Nedbank economist Magan Mistry said in the latest Guide to the Economy.

Both Zimbabwe and Botswana had devalued their currencies this year, resulting in an overvalued rand against the two currencies in terms of purchasing power parity. *Buy 19/11/91.*

Purchasing power parity, or the real effective exchange rate, adjusts the nominal exchange rate by changes in the price levels in the two countries and shows whether the currency is overvalued or undervalued.

Over the long term the undervaluation or overvaluation of a currency was likely to have an impact on the pattern of trade, with manufactured products likely to be affected very early, Mistry said.

Two-way trade between Zimbabwe and Botswana was R252m in 1987, while two-way trade between SA and Botswana was

R1,76bn.

Zimbabwe devalued its currency by more than 30% against the rand in September and October this year, reaching Z\$1,77 a rand on October 2 from Z\$1,3425 in mid-September last year. *(12)*

The devaluation occurred as part of the economic reform programme under the guidance of the World Bank and the IMF.

Botswana followed Zimbabwe and devalued the pula in an attempt to widen the country's narrow export base by specifically promoting manufactured exports. The country's three main commodities accounted for over 90% of export earnings.

Mistry said part of the benefits of the Zimbabwean dollar devaluation would be neutralised as imported inflation started to push up domestic prices. With prices rising faster, further devaluations of the Zimbabwean dollar were possible.

The Botswana pula was unlikely to appreciate further against the rand, he said.



(12)  
Debswana HQ

Star  
in Gaborone

20/11/91  
Star Africa Service

GABORONE — Debswana, the company in Botswana jointly owned by the Botswana government and De Beers Consolidated Mines, is likely to be run from Gaborone, and managed locally.

A representative of De Beers in London told Africa Economic Digest: "Both the Botswana government and De Beers feel it is the right thing for the management of Debswana to be local."

It is known that the Botswana government is keen to manage the company locally with qualified citizens.

At present Debswana, the State diamond mining company, is jointly owned by De Beers Centenary, which is the Swiss arm of De Beers Consolidated Mines and by the Botswana government.

# Diamond sales accord <sup>(12)</sup> renewed

STAR 2/12/91

LONDON — De Beers Centenary has completed the renewal of a five-year sales agreement with Botswana in terms of which its diamonds are sold through De Beers' Central Selling Organisation (CSO).

It also said at the weekend that Debswana, the diamond joint venture between Botswana and De Beers, would set up its own head office in Gaborone.

The head office will replace the current arrangements under which support services are supplied by Anglo American Corporation Botswana Services.

De Beers said Baledzi Gatlhe, permanent secretary at Botswana's Finance and Development Ministry, would be appointed to the new post of chief executive officer of Debswana.

Julian Ogilvie Thompson, chairman of Debswana, De Beers and Anglo American, said the new structure reflected the size Debswana had reached, and its importance to the Botswana economy and the world diamond industry.

Botswana and De Beers will share the cost of a previously announced plan for a 33 percent expansion of capacity at the Jwaneng mine.

A feasibility study on the project is under way and a final decision should be taken in the first half of 1992.

The government and De Beers Centenary are also sharing the cost of the new Teeman cutting factory at Serowe. — Sapa-  
Reuter.

# What they're talking about in Gaborone

STAR 3/12/91

12

ANYONE with experience of the Batswana would agree that they are eminently peaceable people to whom violence is foreign.

They do not become embroiled in faction fights as do the Zulus of the Msinga area. They do not get caught up in tribal conflicts as in the South African hostels. And the rate of murder, rape and assault in Gaborone is only a tiny fraction of what it is in Soweto.

All of which makes it a mystery why Botswana's Cabinet Ministers should be acquiring the reputation of being prone to engage in fist-cuffs with one another. It may be completely unjustified and the stories going around Gaborone may be entirely untrue. But they are going around.

On the rumour market of Gaborone you can hear all about how two Cabinet Ministers began throwing punches at one another outside the National Assembly after a caucus meeting three weeks ago. According to the rumours, one of the Ministers flattened the other one — knocked

## Out of Africa

GERALD L'ANGE



him out so cold that he had to be carried off in an ambulance.

It sounds an unlikely story, I know, but I'm just telling you what they are saying in Gaborone.

They say there that you should not believe the official explanation of why President Quett Masire was hobbling around on crutches for a while last year. Officially, he slipped and hurt his knee. But on the rumour market the story is that he tried to break up a fight between two members of his Cabinet and got his knee twisted for his pains.

It's hard to believe that one either, but it's what they are saying in Gaborone.

Just two weeks ago, the rumour market reports, two Cabinet Ministers were seen having a nose-to-nose outside the House of Chiefs, which is next to the National Assembly. No punches were thrown this time, it is said, but for a while it looked as if they would be.

It is all very difficult to explain. Could it be that in the absence of any real violence and of a TV substitute like Dallas, the Batswana are turning to inventing stories about their Cabinet Ministers?

□ □ □

IN Mozambique a young man who goes out in the morning to buy a pack of cigarettes could find himself in the army before sundown.

Faced with a marked reluctance by the country's youths to do their military service, the army has turned to press-ganging, just as British naval vessels in the days of sail used to send out gangs to seize able-bodied men for service at sea when they were short of crew.

It seems that the vast majority of Mozambican youngsters are reluctant to serve in the army in the seemingly endless civil war against the Renamo rebels, especially as the two-year period of national service tends to become arbitrarily extended, sometimes for up to 10 years.

Quett Masire  
... did he fall or was he pushed?



So dismal was the response to call-ups that orders were issued for all draft dodgers to be rounded up. But the army apparently found it easier to simply grab the first available youths. Newspapers have carried accounts of groups of young men being seen shoeless, shirtless and roped together after being seized by army press-gangs.

Students and even teachers are reported to have been dragged out of classrooms and put, shaven-headed, into uniform. Youngsters have been picked up in the streets of Maputo, put on aircraft and flown off to join the army without any medical examination or questions about their status or chance to say goodbye to their families.

The military command has refused to say how many "draft-dodgers" have been picked up, declaring the figures a "military secret". It has tried to play down the press-ganging furore and has denied reports that some of the press-ganged youths were transported or locked up in shipping containers, where some suffocated.

Government officials have condemned the press-ganging as illegal. But it seems to be continuing.

So just who is in charge? □

France funds R1bn Botswana project

# LTA 'lands huge deal' to build air base

LOCAL construction company LTA had landed a major part of a top secret contract for the construction of a R1bn military air base in Botswana, sources said yesterday.

A tender of about R660m (500-million pula) was awarded to French company Spie Batignolles, with LTA as its main subcontractor.

The scheme — known as Project Eagle — will see a huge military air base built 130km northwest of Gaborone at Molopolole. The R1bn cost of the project works out at almost a fifth of Botswana's annual gross domestic product. The French government has provided a major portion of the financing in the form of a loan.

The cost of the air base, said to be similar to the high-tech setup at Hoedspruit in SA, could still exceed R1bn, sources said.

The contracts were awarded about a year ago and work on the project — due for completion in about two years — was still in the preliminary stages.

Companies tendering for the project had to sign a confidentiality clause with the Botswana government. Sources said the project was highly sensitive from the Botswana side, especially with an SA company and workers involved.

Construction industry sources said LTA, operating in Botswana under the name of Ridgeway, picked up the contract in competition with other SA companies.

While many SA companies were operating in Botswana, the military nature of the

project was the reason for the degree of secrecy. Spie Batignolles was there, however, as a contractor in its own right and was not a front for LTA.

The Botswana authorities "suggested" that SA-based companies should not tender in their own right but could do so through a foreign partner. Local contractor Murray

H & Roberts (M & R) is said to have put in a tender at about 640-million pula through a foreign subsidiary. It is believed Group Five also tendered at 600-million pula in partnership with an overseas consortium.

Financing from the French government is believed to have clinched the deal for Spie Batignolles. French military companies are also expected to sell military aircraft and equipment to the Botswana defence force as a result of the deal.

The reason for building the air base is not known, but speculation includes the fear of encroachment from "poor" neighbours, and that Botswana might be vulnerable to an air strike.

LTA chairman Hilton Davies refused to comment last night.

LTA yesterday reported in its interim results a 38% increase in earnings to R14m. Davies warned the outlook for 1992 was "very cloudy" as less work was coming to the market.

Botswana defence force chief Lt-Gen Ian Khama was unavailable for comment yesterday.

ANDREW GILL

1 (Day) 4/12/91

# Botswana poised to free SA prisoners

(12) CT 5/12/91

By ANTHONY JOHNSON  
Political Correspondent

BOTSWANA is poised to release 15 South African prisoners, including captured SA Defence Force commandos, and ANC and PAC members convicted of crimes in the neighbouring state.

President Quett Masire personally ordered the release of the prisoners following requests from the ANC, the PAC and the SA government, according to a Radio Botswana news bulletin.

The radio quoted a statement from the president's office as saying the prisoners had all been convicted of

crimes under the laws of Botswana. It did not give details.

SA Foreign Affairs spokesman Mr Coen Bezuidenhout said: "Our people are still making inquiries and we are awaiting detailed information on the matter before comment can be issued."

However, Sapa reports that Botswana Foreign Affairs information director Mr Ted Makgekgenene said from Gaborone he was awaiting word from his country's police special branch on the imminent release of the prisoners.

He said the prisoners included four commandos of the SADF, four ANC and seven PAC members. No immediate details of their offences were available, he said.

## Botswana to free 15 SA prisoners <sup>(12)</sup>

JONATHAN REES and LINDEN BIRNS

BOTSWANA says it is set to release 15 SA prisoners, among them SA Defence Force commandos and ANC and PAC members.

President Quett Masire ordered the prisoners' release after requests from the SA government, the ANC and PAC, Radio Botswana reported yesterday.

A statement from Masire's office said the ANC, PAC and SA government had indicated the remission of sentences would help the reconciliation process in SA.

SA Foreign Affairs spokesman Coen Bezuidenhout said: "Our people are still making inquiries and we are awaiting detailed information on the matter before comment can be issued."

However, Sapa reports that Botswana foreign affairs information director Ted Makgekgenene said he was awaiting word from the Botswana police special branch on the imminent release of the prisoners.

He said the prisoners included four commandos of the SADF, four ANC and seven PAC members. No immediate details on their offences was available, he said.

President F W de Klerk said in a statement he appreciated Masire's decision to release the prisoners. "Steps to bring these people home are being finalised."

An SADF spokesman declined to say if any SADF members were held in Botswana. *(SADF) 5/12/91*

During the 1980s the SADF allegedly carried out a spate of raids into Botswana.

(12) ~~(12)~~

## Botswana to free SADF commandos

STAR 5/12/91

Botswana was yesterday preparing for the release of 15 prisoners, including captured South African Defence Force commandos as well as members of the ANC and Pan Africanist Congress, a senior government official confirmed.

Information director Ted Makgekgenene said from Gaborone he was awaiting word from his country's police special branch on the imminent release of the prisoners.

He said the prisoners included four commandos of the SADF, four ANC and seven PAC members. Mr Makgekgenene could not immediately give details of their offences.

South African Foreign Affairs spokesman Coen Bezuidenhout said he was awaiting detailed information on the matter before comment would be issued.

According to a Reuter report quoting a Radio Botswana news bulletin, President Quett Masire personally ordered the release of the 15 prisoners, following requests from anti-apartheid groups and the South African Government. — Sapa.

# It's about Time in Botswana

Scanned 5/12/91

NATIONWIDE property and financial services group Time Holding is spreading its wings beyond South Africa's borders with two major housing developments taking place in Botswana.

By JOSHUA RABOROKO

Time Projects Botswana, part of the JSE-listed Time Group, has just concluded an agreement with the Catholic Church for the purchase and development of land near Gaborone in what is effectively the first major private sector housing development in the country.

Kelly, said: "The first phase of the 55ha development at Kgale Hill will include the construction of 400 houses valued at R40 million. (12) (32) (20)

Time Projects is also the main contractor for a housing estate which is providing accommodation for staff at a new private nursing clinic in Gaborone.

The company's director, Mr Sandy

The company is also involved in development across South Africa, particularly in the low-cost housing market.

1991c \*





# Quett Masire frees 15 convicts from SA

SAPA-  
Reuter

GABORONE - President Quett Masire of Botswana has ordered the release of 15 South African prisoners after requests from anti-apartheid groups and the South African Government.

Radio Botswana quoted a statement from the president's office as saying the prisoners had all been convicted of crimes under the laws of Botswana. It did not give details. *Sowden*  
*5/12/91*

## Remission

The statement said the ANC, the PAC and the South African Government had indicated the remission of sentences would assist in the current process of reconciliation in South Africa.

## Botswana releases South Africans

PRESIDENT Quett Masire of Botswana has ordered the release of 15 South African prisoners after requests from anti-apartheid groups and the South African Government. (12)

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Cliffen 8/12/91

# Scandal-hit bank starts repayments

12

Sowetan 12/12/91

LIBREVILLE - Investors at the Gabon branch of scandal-hit Bank of Credit and Commerce International (BCCI) will start receiving partial repayments this week, a statement by the official liquidator said yesterday.

It said a first round of reimbursements totalling R37 million would begin today in the central African country, serving customers in alphabetical order.

Personal account holders and private businesses and would initially receive 37,5 percent of their deposits and state enterprises 14 percent.

A further round of repayments would start in late February 1992, the statement said. It was not clear what proportion of their deposits investors would finally receive.

The statement did not say how many customers were affected by the clampdown on BCCI's Gabon branch, a subsidiary of BCCI Overseas, since the bank's activities were frozen in most countries in July amid allegations of massive fraud and other criminal links.

The liquidator, appointed by Gabon banking authorities, has not been identified. - Sapa-Reuter

# Front newspaper for South Africa in Botswana closes

GABORONE - A Botswana-based newspaper which was exposed recently as a front for the South African Government was closed at the weekend and all its equipment spirited out of the country in three huge trucks.

Newslink Africa, together with its printing arm, Magnum Press, was closed on Saturday morning. Its expensive printing presses and furniture were transported to South Africa in huge trucks.

But the trucks were stopped at the Tlokweng border post by Botswana immigration officials at the instruction of the commissioner of labour. They were only allowed to leave after all employees had been paid.

Newslink was exposed recently by a former SADF officer, Major Nico Basson, as an ambitious project by South African military intelligence to influence Southern African countries.

All the editorial decisions were

taken in Pretoria by the SA Troop Information Unit, of the SADF.

Basson said: "Newslink is a front paper for the South African Government with the aim of destabilising Botswana."

Newslink, a weekly, used to sell at 50 thebe (about 37c), but after its South African connection was exposed, it was given away free of charge. - *Sowetan Africa News Service.*

*Sowetan 15/12/91*

(12)

(12)

(12)

(12)

# March plan is postponed

A PLANNED protest march on Union Buildings on Saturday by clergymen of the Bafokeng tribe campaigning for the return of exiled chief Lebone Molotlegi was postponed to tomorrow. *Sowetan 17/12/91*

Delay in the procession of an application by various parishes of the tribe for the protest had forced organisers to postpone it.

The application had since been granted by the Chief Magistrate of Pretoria.

The clergymen will be lending support to a long-drawn campaign for the return of Molotlegi, who went into exile after alleged harassment of his family by the Bophuthatswana government following an abortive coup in 1988.

Molotlegi has been in Botswana since and his wife Semane is alleged to be living in South Africa.

The clergymen have reiterated the Bafokeng's demands for the reincorporation of Bophuthatswana, the release of political prisoners and the unconditional return of exiles.

- Sapa

## SA closes paper in Gaborone

STARZ 18/12/71  
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(12)  
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Newslink was recently exposed as a project by South African military intelligence to influence southern African countries. — Star Africa Service.

least R3 600 from the 1992 tax year.  
The LIOA has also asked Revenue to extend the age at which RA annuity contributions must terminate from 70 to 75 years.

5/12/91  
**'SA newspaper  
quits Botswana**

(2) JONATHAN REES (102)

PRETORIA — The management of a Botswana newspaper allegedly operating as a regional propaganda organ of the SA government closed down and tried to remove all its equipment back to SA at the weekend without paying staff or creditors, according to informed sources in Botswana.

The relocation and closure of Newlink Africa and its printing arm Magnum Press were delayed after intervention by Botswana police and the Botswana Labour Commissioner.

It is understood that Newlink and Magnum have a substantial overdraft with Barclays Bank Botswana and owe money to several printing concerns and others.

SA technicians dismantled printing presses last week on the pretext of taking them across the border for a service, a source said.

Staff were advised to return to work next year, but a factory manager became suspicious when SA trucks began removing not only the presses but other newsroom equipment and furniture.

SADF spokesman Maj Charl de Klerk declined to comment on allegations that the newspaper might have been linked to Military Intelligence.

⑫  
A/P 5/19/12/91

### Probe into newspaper

BOTSWANA police were investigating Newslink Africa — a newspaper allegedly backed by SA Military Intelligence as a regional propaganda organ — but had found no tangible proof linking the paper to the SA government, the Botswana Gazette said yesterday.



# Media operation's moonlight flit leaves staff members in lurch

ANGRY BLACK staff members waiting last Saturday night at the border gates along with Botswana labour officials, who refused to allow the moveable assets of the Botswana-registered newspaper Newslink Africa/Magnum Press to pass through into South Africa until they had been paid, were the lucky ones. They, at least, got a total of 6 000 pula (about R8 000) against unpaid salaries — which the Botswana authorities

extracted from the company's owners before the trucks were allowed to move on across the border.

But some employees of the media operation — which decamped at the weekend leaving vast debts and growing evidence that it had been little more than a South African Government propaganda front — were not so lucky.

Newspaper production manager Derek Hammond, printing manager Tony Forster and

printer Brian Rigby were left in the lurch.

They are owed nearly 500 000 pula (R670 000) in back-pay and for breached contracts.

They also had to make do with only 25 percent of their normal salaries for November, after Magnum Press/Newslink Africa chairman Abel Rudman pleaded temporary financial difficulties when confronted by the irate and unpaid employees.

Mr Rudman told the three

men that they would be paid special bonuses at a later date for their forbearance.

Instead, the three arrived at the company's premises last Thursday to find that the whole operation was being loaded on to trucks for shipping back to South Africa.

On contacting Mr Rudman, they claim, they were told it would be a good idea to get out of Botswana.

By this stage senior executives Neil Burrows and Miles

Thompson had already fled.

Since then the three men have discovered that their rent has not been paid for several months, and, as a result, all their worldly goods have been seized by landlords pending the payment of rent.

Now the three are in Johannesburg, virtually destitute.

Both Mr Hammond and Mr Forster have very young children to support, and all three are married.

Telephone calls to Mr Rudman have resulted in their being informed that he is no longer responsible and that they should speak to Vincent Bergh, whom Mr Rudman claims has bought the company.

Mr Bergh, a junior lawyer in a Pretoria legal firm, is not available to help, apparently because he is away on holiday.

It was he, however, who supervised the Botswana move last weekend.

Van with copies featuring exposé hijacked en route to Botswana

# SADF 'front' rival paper vanishes

**S (Pr) 2/12/91**  
A PRINT-RUN of a Botswana newspaper carrying an exposé of links between the SADF and a failed rival newspaper disappeared after the van carrying them was hijacked this week.

It was alleged in The Reporter/Mmegi that rival publication Newslink Africa was a front company for the SADF, and was part of its "dirty tricks" campaign.

The parcel van transporting the copies of Reporter/Mmegi from Pretoria to Gaborone was stolen from a house in Tlhabani near Rustenburg on Wednesday.

The front-page story of the hijacked edition of Reporter/Mmegi carried the story of the closure of Newslink.

The alleged SADF front's closure has left 80 people unemployed.

Mmegi carried pictures and the story of the removal of machinery and office equipment from Newslink's premises in Gaborone.

The van, loaded with 15 000 copies of the weekly, printed by Saturday Star sister paper the Pretoria News, left Pretoria on Wednesday evening for Gaborone.

Botswana journalist Methactse Leepile said that soon after the two van drivers left Pretoria they noticed they were being followed by two vehicles, a maroon BMW and a white 1 400 Nissan Bakkie.

He said the drivers were followed to a Rustenburg petrol station.

Fearing they were going to be attacked, they decided to stay the night at a friend's house in Tlhabani.

Mr Leepile said the BMW and the bakkie disappeared when their drivers drove to Tlhabani.

The theft was discovered the next morning.

"Fortunately the Pretoria News had the original plates and was able to print another load. Through a chartered aircraft, we were able to distribute Mmegi on Thursday afternoon," he said.

"I'm unable to tell if our papers were hijacked or if it was just ordinary theft."

"The drivers said the two vehicles following them were quite persistent."

"Whenever they reduced speed, the tailers did the same," Mr Leepile said.

A western Transvaal police spokesman said he was not aware of the incident.

## Cover blown

Mr Leepile said the theft had been reported to the Tlhabani police. He gave the case number as CR 123/12/91.

The controversy surrounding Newslink started in August, soon after the Inkathagate scandal broke.

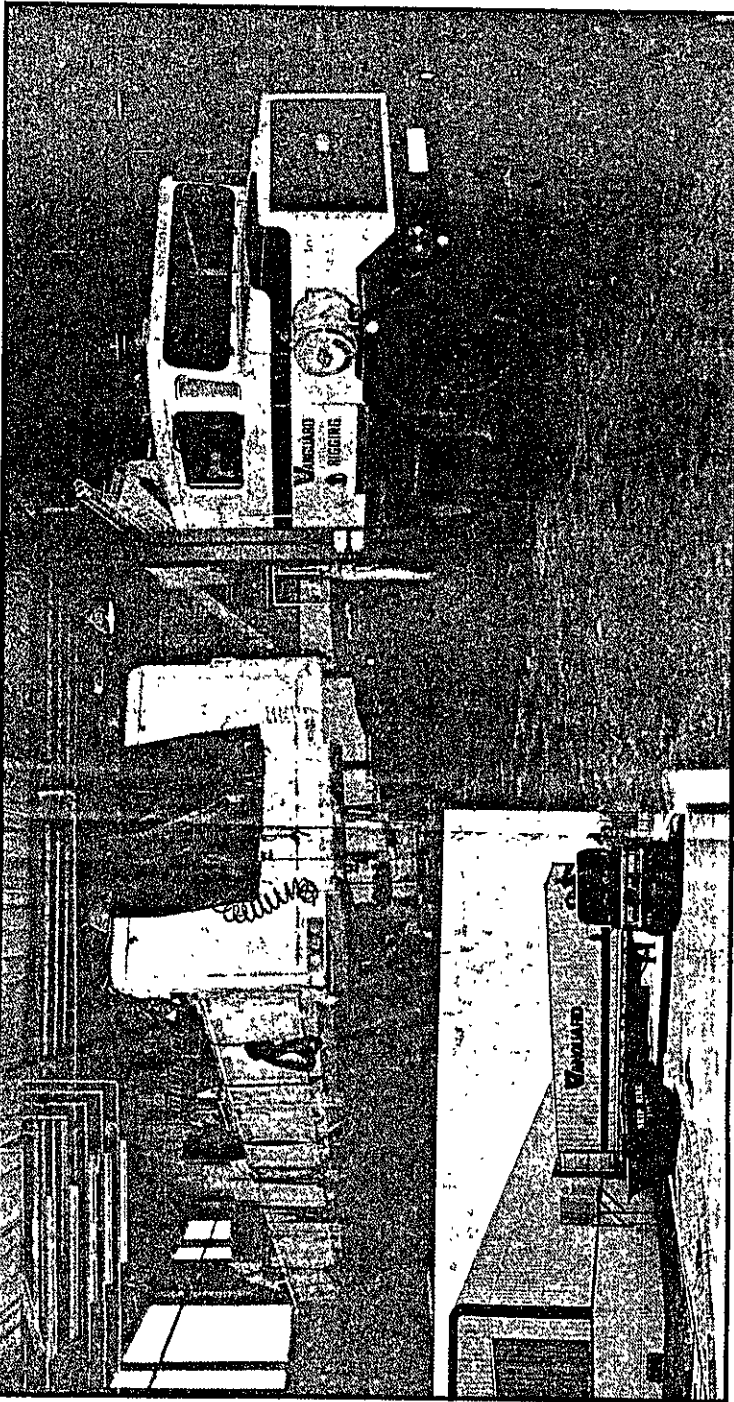
It was alleged that Newslink was a front for SADF propaganda.

According to Mr Leepile, soon after Newslink's cover was "blown", the paper's circulation began to drop rapidly from 15 000 a week to about 4 000 a week.

During its final days it was distributed free of charge.

One of the companies mentioned in the Mmegi exposé was Verwoerdburg-based Dixon Soule Associates.

Mr Soule said, however, that his company merely acted as consultants to Magnum Press and Newslink in a "pre-print-



A joint investigation by AL-AMEEN KAFAAR of the Saturday Star and IVOR POWELL of the Sunday Star

ing" capacity.

He said his company was engaged to help Magnum expand to the point where it could run Newslink Africa on its own.

It provided technical expertise but did not influence the paper's policy in any way.

Mr Soule said his company

was not a front "for the SADF or anyone else".

He challenged anyone to provide proof to the contrary.

Mr Leepile said Magnum Press had had to pay hard cash to paper suppliers during the past few weeks.

A Botswana bank was be-

coming edgy about Magnum's overdraft — approximately R70 000, he said.

To give the impression that all was well, Newslink decided on a public relations exercise to win back public confidence.

"The first thing it did was placate fears that its em-

ployees were in fact spies parading as printers and journalists.

"By threatening to take legal action against Mmegi, Newslink also hoped to win public sympathy and most importantly, buy time — to at least deter Mmegi and other local papers

from publishing any new information on them."

He said no threats were made against the Weekly Mail and New Nation, which had also published stories about the connection between the SADF and Dixon Soule Associates and Newslink.

## Dirty tricks alleged

A truck being loaded with machinery in the Magnum Press warehouse at the start of the pull-out of Newslink Africa. This week a vehicle loaded with 15 000 Botswana newspapers carrying an expose of links between the SA Defence Force and a failed rival paper — was allegedly hijacked — and the papers are missing. The Reporter/Mmegi claims that rival publication Newslink Africa was a front company for the SADF, and was part of its "dirty tricks" campaign.

Inset: the truck leaving the warehouse.

Photographs: The Reporter/Mmegi

An SADF spokesman last night referred the Saturday Star to President de Klerk's statements, made at an international press conference.

Mr de Klerk told reporter he would appoint an independent committee from the private sector to advise him on existing special secret projects.

The SADF spokesman said the he was not aware that the newspapers had been stolen.

# 'Funding dried up after Inkathagate'

STAR 21/12/19

BARRY BAXTER is far from being a happy man.

But after being granted an order of attachment this week on Botswana property belonging to his former employers, the one-time managing editor of controversial Botswana-based newspaper Newslink Africa is a little happier than he was.

What the Botswana Supreme Court ruling — which gives Mr Baxter control over a Gaborone house, valued at more than 300 000 pula (about R400 000), but still heavily bonded — means is that Mr Baxter will receive some financial compensation for having been dismissed in breach of contract.

But it does little to address Mr Baxter's major complaint against his former employers Newslink and associated printing company Magnum Press: that he was made the innocent dupe of South African propaganda interests in a cross-border dirty-tricks campaign.

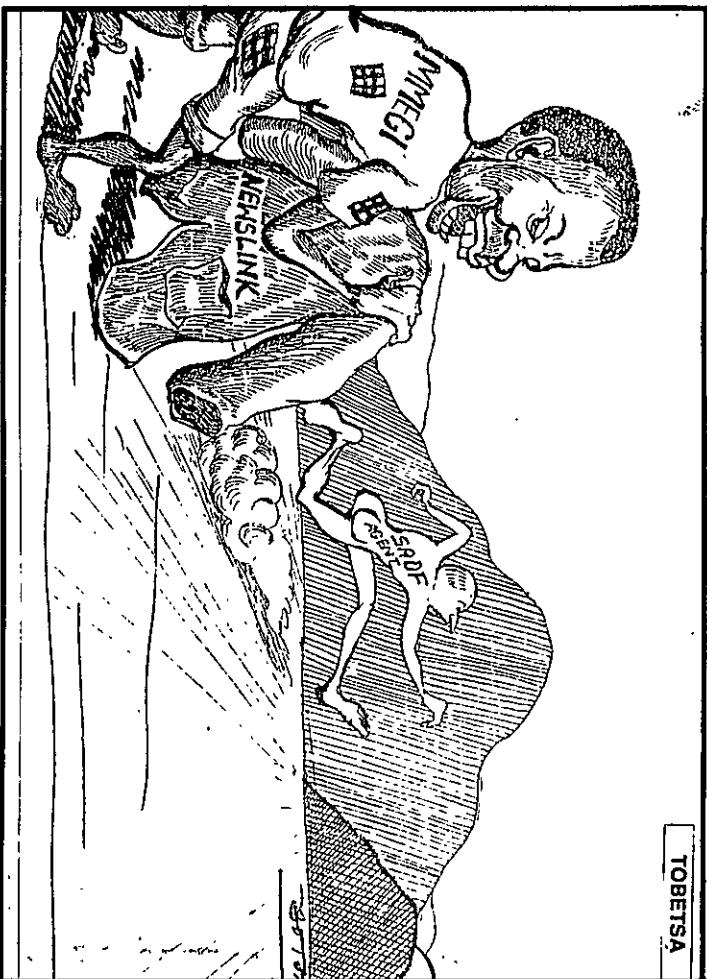
## Mstermind

This week Newslink/Magnum Press was at the centre of a scandal when company chairman Abel Rudman attempted to mastermind a fly-by-night operation to move printing machinery valued at more than R2,5 million out of the territory — leaving a trail of debt and shady dealings behind him.

Major creditors Barclays Bank Botswana were able to obtain an attachment order on the equipment in question in the Rand Supreme Court on Thursday, thus freezing the company's remaining assets against a full investigation of its affairs.

But according to Mr Baxter the scandal goes much deeper than this.

Among other allegations against Newslink/Magnum, Mr Baxter claims: ● Funds for the Botswana operation dried up in the immediate aftermath of the Inkatha-



TOBETSA

GRAPHIC INTERPRETATION: As the cartoonist from The Reporter/Mmegi saw the scandal.

gate slush-fundscandal — when Mr Baxter himself was dismissed as part of a "cost-cutting" exercise.

● The real power behind the Magnum operation lay in the headquarters of Verwoerdburg public relations company, Dixon Soule Associates. DSA was earlier this year identified as an SADF front company by former SADF career officer and self-confessed propagandist Nico Basson.

This is a charge which DSA supremo Gary Dixon vehemently denies, saying there has never been any connection between his company and the SADF. Other sources close to DSA have indicated, however, that projects with which the company was associated were included on a list of 40 covertly funded operations which President de Klerk planned to dis-

continue in the wake of the Inkathagate revelations.

While the list was never made public, it is believed that drastic rearrangements were in fact made.

● Important editorial decisions regarding Newslink Africa were taken by senior Q-Group/Dixon Soule personnel, with Mr Rudman often keeping a relatively low profile.

Mr Rudman was at the time of Mr Baxter's employment a director of one of DSA's component companies. Future Graphics — though there has since been a fallout and he no longer serves in this capacity.

Sources have also said he is a close personal friend of Foreign Minister Pik Botha — who was a central figure in the Inkathagate scandal. The same sources added that Newslink was one of a number

of publications which were directed at realising "Mr Botha's dream of a constellation of southern African states under the economic and political leadership of South Africa".

Saying he had never been party to any such scheming, if it had in fact taken place, Mr Dixon indicated that legal proceedings were being instituted against Mr Rudman in connection with monies owed to the company.

● Q-Group/Dixon Soule personnel were responsible for hiring and firing of staff at Newslink Africa, and appointments were made in such a way as to suggest Magnum was simply one link in the whole Dixon Soule/Q-Group chain.

This comes despite earlier disavowals by Mr Dixon, who maintained there was "absolutely no connection between

Dixon Soule and Newslink Africa except that we do certain layout work for them and arrange for printing when facilities break down in Botswana". ● A good deal of the content of the newspaper was in fact written and compiled at the company's Verwoerdburg headquarters. Regarding this charge, however, Mr Dixon said the company's interventions were not to dictate the direction of news coverage, but to fill out the publication.

However, he was not prepared to vouch for Mr Rudman, whom he said the company merely treated as a client, without inquiring into his motivations or funding.

● Magnum Press, which alone employs around 100 people, has run at a loss of more than a million rands since being formed in August 1990.

During that period, total expenditure has exceeded R4 million, all ostensibly from Mr Rudman's own funds.

But sources close to the Wolmaranstad farmer said there was no way his farming operations could, as Mr Rudman claims, support this kind of expenditure.

● Most of the hands-on control of Newslink was performed by DSA director Sipke de Vries, whom Mr Basson identified as a major in the SADF Military Intelligence Civilian Force unit, the South African Army Troop Unit (Satite, from the acronym in Afrikaans).

● Among other constraints imposed on the Newslink staff was an instruction to publish a weekly column, Washington Notes, by American journalist William P Hoar. Investigations have discovered that Mr Hoar is a prominent member of the ultra-right-wing John Birch Society, and is connected to the Heritage Foundation, a US-based right-wing grouping which was exposed as having strong links with the South African regime during the Info

Scandal of the late 1970s.

Mr Baxter joined the staff of Newslink after responding to a Dixon Soule advertisement in May. After being offered various positions — including PR accounts for the Bophuthatswana government and the editorship of the Matikeng Mail — he was finally introduced to Mr Rudman, who offered him the managing editor's post on Newslink, a post which he held for three months before being dismissed.

When the Inkathagate scandal broke, his suspicions were intensified and he approached the Botswana authorities in order to confide his fears that Newslink was in fact a South African Government front. Shortly afterwards, amid rumours that funding was being cut off, he was summoned to Pretoria and told he was being retrenched.

## Suing

This came in violation of a lucrative two-year contract, and Mr Baxter is suing Mr Rudman for R200 000 in breach of contract.

The Botswana Supreme Court attachment order was granted in the wake of abortive attempts by Magnum Press/Newslink's Mr Rudman to abscond with more than R2,5 million in moveable assets from the country.

The move itself — which was executed by Johannesburg company Vanguard Rigging — was controlled by Pretoria attorney Vincent Berg, whom Mr Rudman told reporters had bought the company. The sum involved was apparently R1,8 million. But no records of any such transaction were able to be traced.

Despite repeated messages being left for Mr Rudman, he remained unavailable for comment. Mr Berg was apparently on holiday in Plettenberg Bay, and also failed to respond to messages.

Garstonsiem on Sunday.

## SA, Botswana to start links <sup>(12)</sup>

THE South African and Botswana governments have agreed to establish reciprocal missions, Foreign Affairs Minister Mr Pik Botha said yesterday. *Southern 21/12/91*

In a statement released in Pretoria, Botha said South Africa would establish an office in Gaborone while Botswana would base its mission in Pretoria.

The two missions will be known as the office of the South African Representative and the office of the Botswana Representative. - Sapa.

## SA sets up formal ties with Botswana

PRETORIA — SA established formal diplomatic relations with Botswana for the first time yesterday.

Foreign Minister Pik Botha said an SA representative would set up office in Gaborone early next year, while a counterpart would move to Pretoria.

A Foreign Affairs spokesman said this was an important step towards establishing full embassies in both countries.

While Botswana has in the past allowed free trade with SA, it has shown little diplomatic warmth.

It is a member of the SA-led Customs Union as well as the Southern African Development Co-ordination Conference.

JONATHON REES

An SA Foreign Trade Organisation (Safto) spokesman said yesterday the new diplomatic thaw would mean little to economic relations.

Safto's latest report on Botswana's economic prospects predicts a deterioration in external payments as a result of declining diamond earnings, and says Botswana could expect slowed economic growth, rising inflation and a weaker balance of payments figure.

There were gaps in the mining and manufacturing sectors which SA entrepreneurs might exploit, the spokesman said.

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BOTSWANA — GENERAL

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**Botswana** (12)  
**STAR**  
**journalist** (12)  
17/1/92  
**in hot water**

Star Africa Service

**GABERONE** — A Botswana journalist, Professor Malema, could face charges under the National Security Act for publishing a classified government document.

Mr Malema is being held by the police for publishing a document explaining why the government could not agree to increasing wages for manual workers.

Mr Malema's lawyer, Tshepo Motswagole, said his client had been assaulted by the police and was considering taking action against them. "I don't think the police have the right to detain Malema without any proper warrant," Mr Motswagole said.

He said the arrest was unlawful because the National Security Act referred to the defence force and not to documents obtained from the Ministry of Finance.



# Booming Botswana

SHARE prices of all companies listed on the Botswana Stock Exchange showed marked improvements last year. (12)

There are fewer than a dozen, but the healthy state of the Botswana economy helped the all-share index to grow by 23% in the year to October 1991.

This year the Botswana Government expects the economy to grow by 5% in what it calls a period of consolidation but what other nations would regard as a boom.

Prime lending rates from commercial banks have risen from 8% to 12.5%, which has led to a fall in disposable income. Company margins are coming under pressure.

The business climate is becoming more competitive, not only from new entrants in the market but from the expansion of existing companies. Food processor Sefalana's turnover grew by 29% to Pula 360-million in the year to October 1991 and taxed profit by 24% to P14-million. It is increasing production facilities.



# Botswana planning R6-bn power station

By Hans-Peter Bakker  
Star Africa Service (12)

GABORONE — A R6 billion, 2 000 megawatt coal-burning power station is being planned by the Botswana government to provide electricity for export.

The station, to be built on a low-grade coal mine near the town of Morupule, 300km north of Gaborone, will eventually produce more than 10 times the electricity requirements of Botswana.

Eskom communication services manager Andre van Heerden says Eskom will definitely be interested in buying power from Botswana, but that no contracts or agreements have been discussed.

He says the project will fit in very well with Eskom's vision of a southern African power grid in which countries in the region co-operate to supply the area's electricity needs.

Ketane Sithole, deputy chief executive of the

Botswana Power Corporation, says the pre-feasibility studies have been completed and are being looked at by the government.

"Indications are that the project could be viable," he says.

A final decision will be taken within the next three years and the first phase of the project could be complete by 1996.

## Customers

Mr Sithole says Botswana will also be looking at Namibia and Zimbabwe as possible customers.

A senior American embassy official says Bechtel, the California-based construction company, has received a R750 000 grant from the US government to conduct the pre-feasibility study.

A full-scale engineering feasibility study will now be conducted as a precursor to the first phase of the project.

# Soda ash hit by low price

ST Times (BUS) (12)

9/12/97

By DON ROBERTSON

SALES to South Africa by Soda Ash Botswana (SAB) are "very encouraging", but prices are under pressure.

The company has largely been saved by the recent imposition of a 10% ad valorem duty on imported material. It says this "prevented serious erosion of the price structure".

Deliveries from SAB — owned 26.5% by AECL, 25.5% by Anglo American and De Beers, and 48% by the Botswana Government — started at the end of last year.

But a depressed market in SA and competition from American-based Natural Soda Ash Corporation have hurt prices.

The R920-million project in the Sua Pan came into operation last June and production is increasing. It is

now about 15 000 tons a month as "learning curve" experience is gained by operating staff.

When in full production in about three years, output will rise to 300 000 tons of soda ash a year and 650 000 tons of salt.

Previously, all soda ash used in the glass, paper and pulp industries, metallurgy and detergents, was imported. When in full production foreign exchange savings to SA could be R150-million a year.

An AECL spokesman says that in spite of difficult trading conditions, a market penetration strategy is in place and achievements are encouraging.

The company has met resistance by customers to the use of raw materials from a new source.

## Derailed

Sales have also started in Zimbabwe and orders are being received from major users.

Product for SA is carried in bulk by block trains on the 950km journey from Sua Pan. It is distributed from a 30 000-ton bulk storage facility at Natalspruit, near Alberton. This ensures continuity of supply should there be any transport problems.

Such a problem occurred on January 29 when a 32-truck train was derailed on the dedicated line from Sua Pan to Francistown. Some of the trucks fell down an embankment and 150 of the 1 600-ton load was spilled. About 1 200 tons was recovered and returned to the plant.

# Industries call for lower tax and tarrifs

Star Africa Service

GABORONE — The new South Africa will put industries in Botswana out of action unless Botswana eases tariffs on manufacturers, businessmen say.

Lonrho's Tony Jordan,

export committee chairman of the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM), says the government's financial assistance policy has been a good policy "until now", but it is inappropriate for medium and large-scale

activities.

Manufacturers are calling for a special company tax rate of between 10 and 15 percent as well as a reduction in the price of utilities. **STAR 10/2192**

Dawood Khowat, managing director of Algo Industries, says a factory

shell is being rented at R12 a sq m, compared with only R5 a sq m in South Africa.

"Electricity, water and telephones are four to five times more expensive here than in South Africa," he says.

before his trial resumed for closing argument on sentence.

Picture: BRIAN HENDLER

# Government may end ban on Sunday movies

20/12  
B/D ay 11/2/92

ADRIAN HADLAND

CINEMA companies Ster-Kinekor and Nu Metro Entertainment are getting ready to show movies publicly on Sundays.

Sunday movies are outlawed by the Prohibition of the Exhibition of Films on Sundays and Public Holidays Act of 1977, but several cinema complexes in Johannesburg and Cape Town have been defying the law for some time.

Ster-Kinekor and Nu Metro executives are confident that the legislation will be repealed during the current parliamentary session and DP MP Geoff Engel, a lobbyist for Sunday movies, said: "It is definitely going to happen this year."

The state has two options, according to Engel. Either it drops the prohibition altogether or the decision will be passed on to local authorities for consideration — possibly as part of a "package of powers" to be devolved to municipalities.

"Johannesburg, Cape Town and Durban would certainly express themselves in favour of Sunday movies," said Engel.

Engel said he would try to speed up a decision on the issue by putting a question to Justice Minister Kobie Coetsee in the House of Assembly in two weeks' time.

New Metro MD Trevor Short said government had "implored both Ster Kinekor and Nu Metro not to fly in the face" of the forthcoming legislation by screening films on Sundays.

Lobbyists have been trying for several years to get the ban on Sunday movies repealed but have met resistance from religious groups.

The Justice Ministry's chief liaison officer Nic Grobler confirmed the "package of powers" option was being considered.

## Newsletter tells of US plan to monitor SA

VICTORIA HOLDSWORTH

LONDON — A massive air base under construction in Botswana was part of a strategic plan by the US to monitor and react to events in SA, according to the influential newsletter Africa Confidential.

The development is being built at a cost of \$350m by French company Spie-Batignolles and SA's LTA. B/D ay 11/2/92

It covers three sites, the main one being

105km north west of Gaborone and the others at Chobe in the far north and near the Okavango delta.

Analysts in the capital suggest that thinking behind the air base was part of a long-term regional strategy to beef up the Botswana Defence Force (BDF) prior to President F W de Klerk's reforms in SA.

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## Botswana predicts a big surplus

GABORONE — Botswana predicted a budget surplus of 109-million pula for the 1992/93 fiscal year starting on April 1.

Presenting his budget, Finance Minister Festus Mogae said he expected spending to total 4,05-billion pula and revenue to total at least 4,16-billion pula.

He said state finances for the 1991/92 fiscal year reflected a surplus of 174-million pula. A deficit of 135-million pula was originally budgeted. *Blow 12/2/92*

"Higher than anticipated mineral revenues, non-mineral income taxes and Bank of Botswana profits were the primary reasons for this favourable situation," he said.

Mogae said the overall budget surplus of 109-million pula for the coming year could be eroded by an across-the-board salary increase of 10% for the civil service.

He said private and parastatal sectors were not bound to follow government's example if their financial circumstances did not warrant it. (12)

"A revenue of 68-million pula during 1992/93 is expected from a 10% valorum sales tax on most consumer goods including all motor vehicles used for the conveyance of goods and persons." The tax, which came into effect yesterday, does not apply to food, medicines, books and stationery.

Botswana's economic performance has seen a 13% GDP growth per annum since independence in 1966.

Of the recurrent budget of 2,07-billion pula, 22% was allocated to education, 17% to local government, land and housing and 13% to the state president, works, transport and communications. — Reuter.

## Botswana maize crisis

BOTSWANA is looking to South Africa to feed its hungry in the face of the severe drought that threatens to grip the entire southern region of Africa. (12)

Asked where Botswana would source its maize needs since South Africa was facing a critical drought situation and would be forced to import to meet its own domestic consumption, Botswana Agricultural Marketing Board general manager, Stephen Taukobong, said the country was part of the SA market.

"When SA makes her orders she will include Botswana in the bulk of her order," he explained.

He said Botswana imported about 100 000 tons of cereals annually. *CIPREN 16/2/92*

"We shall have to increase our cereal imports significantly this year to meet the drought needs and the shortfall caused by an expected poor domestic harvest," Taukobong warned. *B. Taukobong*

## Air Botswana faces probe

12

LINDEN BIRNS

BIP 511  
2/12/92

AIR Botswana, which made heavy losses during the past financial year, would be scrutinised by Botswana's government, Gaborone newspapers reported yesterday.

The airline, which has been held up as a model of what can be achieved through inter-African co-operative ventures, is likely to record further losses this year as the airline industry grapples with the uncertainties of world recession.

Transport Minister Chapsone Butale was reported to have agreed to the probe after questions surrounding the parastatal airline's finances were raised in parliament.

The airline has joint ventures with several sub-Saharan airlines on flights, maintenance and cabin crew utilisation and training. It also has a bilateral agreement with Comair for flights to SA.

Sapa reports that Botswana's finance ministry attributed the losses to the fuel price hike at the time of the Gulf crisis and to a global fall in passenger volumes.

Air Botswana GM Brian Pocock could not be reached for comment yesterday.

# Botswana in drive to build industry

GABORONE. — Botswana said last week it had teamed up with the World Bank to study ways of promoting industrialisation to reduce dependence on diamond mining.

"The study will very likely result in a major revision of Botswana's Industrial Development Policy developed in the '80s and in need of updating," senior

Finance Ministry official Serwalo Tumelo said.

He said a move away from dependence on diamonds which account for half of the gross domestic product (GDP) and 80% of exports, was needed to achieve sustainable growth.

In 1991/92, GDP grew by 8.7%. Inflation at the end of 1991 stood at 12.6%.

Tumelo said his country's economy was at times fragile as its diamond market depended on the purchasing power by foreign firms.

He added that economic growth had been hampered by the country's small domestic market and its cost of producing diamonds, power, water, land, housing and communications. — Sapa-Reuter



## AFRICA

# Botswana still has diamond backbone

(12)  
BID on 3/3/92

GABORONE — Recession has sapped diamond sales worldwide, but the gems remain Botswana's best friend — swelling coffers to levels other African states dream of.

Botswana has boasted average economic growth of 13% a year since it gained independence in 1966.

It envisages a fiscal surplus for the 10th year in a row in its 1992/3 budget year. And its foreign reserves of more than \$3bn cover the cost of 23 months' imports — making the IMF's general guideline of a three-month backstop look meagre.

But caution has become the watchword as the diamond market and the local economy cool, with growth in the latter having slipped to 3,5% in the past year from 8,7% during the year before.

Finance Minister Festus Mogae warned recently that sound financial housekeeping, greater efficiency, efforts to stamp out corruption and steps to promote the private sector were needed to help shape future fortunes.

"We must renew our commitment to disciplined and sound economic management, prudence, cost effectiveness, saving and the productive utilisation of our limited resources."

Mogae announced a 10% salary rise for civil servants in the coming year — well below the 12,6% inflation rate at the end of 1991. And, he said, parastatal and private businesses were not bound to match this offer.

The government subsequently announced that it had teamed up with the World Bank to study ways of diversifying the economy to reduce its reliance on diamond mining.

"The study will very likely result in a major revision of Botswana's industrial development policy," said senior Finance Ministry official Serwalo Tumelo.

World sales of rough diamonds through the

De Beers-controlled Central Selling Organisation cartel, which markets the production that earns four-fifths of Botswana's export revenue, have softened after a boom in the 1980s.

Botswana's copper and nickel sales have been hit by weak world prices resulting from global recession.

Drought has undermined sales of the country's major non-mineral export, beef, and there are environmental concerns about the sustainability of cattle farming in an already arid country.

Despite a quota to sell 19 000 tons of beef annually to the EC under the Lome aid and trade convention, sales have yet to exceed 11 000 tons a year.

The \$490m Sua Pan soda ash plant, opened in 1991, is expected to help reduce reliance on diamonds when it reaches design capacity around the mid-'90s of 300 000 tons soda ash and 650 000 tons salt a year, analysts said.

Taking advantage of Botswana's reputation as a stable democracy, the central bank is considering scrapping exchange controls to promote foreign investment.

The bank's NP Sinha, acting director of its exchange control division, said no timetable had been discussed and any decision to jettison currency controls, which posed the risk of a money drain, was up to the government.

"The major advantages of such a move would be that the economy would be widely opened and the pula, Botswana's currency, might become a regional, if not an international currency.

"It would generate tremendous confidence among foreign investors," Sinha said.

While diversified options are studied, however, diamonds will continue to determine the welfare of the country's 1,3-million people. — Sapa-Reuter.

# Botswana rides high on diamonds

STAR 3/3/92

12

GABORONE — Recession has sapped diamond sales worldwide, but the gems remain Botswana's best friend — swelling coffers to levels other African states barely dream of.

The diamond-rich country has boasted average economic growth of 13 percent a year since it gained independence in 1966 and it envisages a fiscal surplus for the 10th year in a row in its 1992-93 budget year.

Its foreign reserves of more than \$3 billion cover the cost of 23 months' imports — making the International Monetary Fund's general guideline of a three-month backstop look meagre.

But caution has become the watchword as the diamond market and the local economy cool, with growth in the latter having slipped to 3,5 percent in the past year from 8,7 percent the year before.

## Efficiency

Finance Minister Festus Mogae warned recently that sound financial housekeeping, greater efficiency, efforts to stamp out corruption and steps to pro-

mote the private sector were needed to help shape future economic fortunes.

"We must renew our commitment to disciplined and sound economic management, prudence, cost effectiveness, saving and the productive utilisation of our limited resources," he said.

Mr Mogae announced a 10 percent salary rise for civil servants in the coming year — well below the 12,6 percent inflation rate at the end of 1991 — and, he said, parastatal and private businesses were not bound to match this offer.

The government later announced that it had teamed up with the World Bank to study ways of diversifying the economy to reduce its reliance on diamond mining.

## World sales

"The study will very likely result in a major revision of Botswana's industrial development policy," said senior Finance Ministry official Serwalo Tumelo.

World sales of rough diamonds through De Beers' Central Selling Organisation cartel, which markets the pro-

duction that earns four-fifths of Botswana's export revenue, have softened after a boom in the 1980s.

Botswana's copper and nickel sales have been hit by weak world prices resulting from global recession.

Drought undermines sales of the country's major non-mineral export, beef, and there are environmental concerns about the sustainability of cattle farming in an already arid country.

The \$490 million Sua Pan soda ash plant opened in 1991 is expected to help reduce reliance on diamonds when it reaches design capacity around the mid-1990s of 300 000 tons soda ash and 650 000 tons salt a year, analysts say.

While diversified options are studied however, diamonds will continue to determine the welfare of the country's 1,3 million people.

The Debswana diamond mining company, jointly owned by the government and the giant De Beers group, has started a feasibility study on proposals for a 33 percent expansion in tonnage capacity at its Jwaneng mine. — Sapa-  
Reuter.

## Top Botswana minister quits

GABORONE. — Botswana's vice-president and Local Government and Lands Minister Mr Peter Simako Mmusi resigned at the weekend after being named in an official report on illegal land and property dealing. (12) CT 9/3/92

His resignation followed that of the Minister of Agriculture Mr Daniel Kwelegobe, also named in the report.

Botswana's President Quete Masire said he had accepted the resignation of both ministers "with regret". — Sapa-AFP

## Two top cabinet men quit posts

(12)  
**Argus Africa News Service**  
GABORONE. — The Botswana government has been rocked by the resignation of two of its most powerful members over alleged land-deal irregularities.

They are Vice-President Peter Mmusi and Agriculture Minister Daniel Kwelagobe.

Further claims concerning senior officials are expected.

The president today named Finance Minister Festus Mogae as vice-president to succeed Mr Mmusi. ARG 9/3/92

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Page 3.

Noisy people...  
lecturers from the AAA School  
for Chilc

# Botswana govt in corruption row

STAR 9/3/92

(12)

Star Africa Service

GABORONE — The Botswana government has been rocked by the resignation of two of its powerful members, Vice-President Peter Mmusi and Agriculture Minister Daniel Kwelagobe, over alleged land deal irregularities.

Further allegations concerning senior officials are expected to be made soon.

Another politician, former assistant Minister of Local Government and Lands, Michael Tshipinare, has been axed in a Cabinet reshuffle by President Quett Masire.

The president today named Finance Minister Festus Mogae as his new Vice-President.

Mr Mmusi's resignation came as a blow to the ruling Botswana Democratic Party (BDP) as he was also Minister of Local Government and Lands and is chairman of the party and chairman of the Council of Ministers of the Southern African Develop-

ment Co-ordination Conference (SADCC).

Both he and Mr Kwelagobe remain MPs and Mr Kwelagobe is to remain secretary-general of the BDP.

The former Ministers were severely criticised by the Kgabo Commission of Inquiry into land allocations in villages surrounding Gaborone. The report was leaked to the press and widely publicised before being formally released.

At a public meeting at the weekend Mr Kwelagobe denied any wrongdoing and indicated he might challenge the findings.

The commission reported that Mr Mmusi twice intervened in favour of Mr Kwelagobe against the decision of the local land board not to transfer land to Mr Kwelagobe that he had acquired illegally.

It said that despite a freeze on land allocation, Mr Mmusi made land available to Mr Kwelagobe which had been set aside by the land board for other purposes.

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## Botswana's Mmusi resigns top post <sup>(12)</sup>

GABORONE - Botswana's vice-president and Local Government and Lands Minister Peter Simako Mmusi resigned on Saturday after being named in an official report on illegal land and property dealing.

His resignation followed that of the Minister of Agriculture Daniel Kwelegobe, also named in the report.

Kwelegobe denied in parliament that he illegally acquired village land just outside Gaborone for development purposes and said he was resigning in order to fight to clear his name.

*Sowetan 9/3/92*  
In a brief statement read over Radio Botswana late on Saturday, Botswana President Quett Masire said he had accepted the resignation of both Ministers "with regret". No further details were given. - Sapa-AFP

11/3/92 (12)  
**Masire told  
to be tough**

**GABORONE** — President Masire's government came under further pressure yesterday when University of Botswana students marched on the office of the president seeking tougher action against corruption in the government.

They urged the president to dissolve parliament and call elections.

They demanded that all Ministers and MPs implicated in the recent and problems revealed by a commission of inquiry vacate their seats.  
Star Africa Service.

# Scandal rocks Gaborone

STAR 17/3/92

(12)

**B**OTSWANA, for a long time seen as something of a jewel in a continent ravaged by despotism and corruption, has had its sparkle dulled by revelations which have led to the dismissal from government of two of the most powerful politicians in the country.

The recent resignation of Vice-President Peter Mmusi and Agriculture Minister Daniel Kwelegobe has severely tarnished the image of Botswana, which has been regarded as a shining example of an African democracy that works.

Western governments have always regarded Botswana as a truly multiparty democracy, with a free press and an opposition that is free to state its case without harassment. The country has thus earned lavish aid from the West.

According to knowledgeable sources in Gaborone, more revelations which could claim more ministerial scalps could

be in the offing.

The resignations, especially Mr Mmusi's, have shocked Botswana. Mr Mmusi had, and to some extent still has, his hands on some important levers of power. Besides being vice-president, he was also Minister of Local Government and Lands and chairman of the Botswana Democratic Party (BDP).

Mr Kwelegobe, a feisty and aggressive politician, is the ruling party's secretary-general. He was seen as among a clutch of possible successors to President Quett Masire.

The resignations follow the report of a commission of inquiry that slammed their conduct in the handling of land deals in villages around Gaborone.

Mr Mmusi was found by the Kgabo Commission, among other things, to have personally intervened in favour of Mr Kwelegobe in a dispute over a piece of land that had been earmarked for a community project in Mogoditsane, and in

Once regarded as a shining example to the rest of Africa, Botswana's image has been tarnished by allegations of corruption and the shock resignation of two senior politicians. **BARNEY MTHOMBOTHI** of The Star Africa Service reports.

Tlokweng where a group of Arabs are said by the commission to have built a multimillion-rand housing project "on land it has not paid a thebe for".

The opposition Botswana National Front (BNF), however, says Botswana is, and has always been, as corrupt as any African country but that the ruling politicians have up to now been successful in projecting the facade of an honest and incorruptible political and bureaucratic establishment.

Paul Rantao of the BNF says previous reports damaging to the government have always been suppressed. "We've always said there is maladministration and rampant corruption in this

country, and nobody believed us," says Mr Rantao, who is also mayor of Gaborone.

BNF leader Kenneth Koma concurs, saying the only difference now is that the media are no longer afraid to expose government corruption. "The papers, like everybody in Botswana, knew about it all the time, but they were scared to publish. That fear is now gone."

The opposition is demanding the government's resignation and fresh elections so that the government can get a new mandate. It is also unhappy because President Masire has not explained why the two ministers were dismissed. Their removal was announced as simply part

of a Cabinet shuffle. Even the "shuffle" is understood to have taken place after certain Western diplomats had made it clear to Mr Masire that he had to rid his government of any whiff or suspicion of corruption.

But the two men would still be safely ensconced in their government posts had the report not been leaked to the media. Observers in Gaborone say the men are victims of faction-fighting within the BDP.

The two men's chief rival in the party and the Cabinet is said to be the Minister of Presidential Affairs, Lieutenant-General Mompoti Merathe. The general is understood to be nursing ambitions of his own to be president. His problem, however, is that as Mr Masire's appointee, he does not yet have the kind of support within the party which would make it possible for him to realise his ambition when the time comes.

The fall of the two men, however, has not benefited General

Merathe's career. The winner is Finance Minister Festus Mogae, who has stepped into Mr Mmusi's shoes as vice-president.

But Dr Koma says the fight in the BDP is not just a quarrel between individuals. The party, he says, is divided between north and south factions, a view disputed by Khabo Morwaeng, the BDP's political adviser.

"We don't have any north-south division in the BDP. The party is united," he said.

Far from tarnishing his country's image, Mr Morwaeng believes the report and the ministers' subsequent resignation will enhance its reputation.

"The president appointed a commission to investigate it, and the report was released to an independent media. It should be to our credit. This is the essence of democracy. Where in the African continent would such a sensitive report be released to the media? It doesn't happen in a lot of countries." □



## Call for Masire to 'clear his name'

GABORONE — Botswana's opposition parties, at a joint news conference in Gaborone yesterday, called on the government to resign within six months and organise free and fair elections. (12)

They called, too, on President Quett Masire to clear his name, noting "with regret numerous rumours in which his name appears in various companies, some if not all of which are associated with corruption". B/D 12/11/92

Kenneth Koma and Knight Maripe, leaders of the Botswana National Front and People's Party respectively, called for a judicial investigation into all parastatals in Botswana.

They also demanded the reorganisation of the Department of Information and Broadcasting into an independent corporation.

They called for three former government cabinet ministers to be dismissed as MPs because of "their action and behaviour in land deals as revealed in a recent commission of inquiry". — Sapa.

# Botswana government told to quit

12  
Sowetan  
18/3/92

GABORONE - Botswana's opposition parties at a joint news conference in Gaborone yesterday called on the government to resign within six months and organise free and fair elections.

They also called on President Quett Masire to

## Makitla funeral

Mr Archie Lawrence Makitla (41) of 11365 Orlando West Ext in Soweto, will be buried tomorrow at Avalon Cemetery.

The funeral service will be held at home at noon and the cortege leaves for the cemetery at 2pm.

clear his name, noting "with regret, numerous rumours in which his name appears in various companies, some if not all of which are associated with corruption".

Dr Kenneth Koma and Dr Knight Maripe, leaders of the Botswana National Front and People's Party, respectively, called for a judicial investigation into all parastatals in Botswana and for the reorganisation of the Department of Information and Broadcasting into an independent corporation.

They called on three former government Cabinet Ministers to be dismissed as MPs because of "their action and behaviour in land deals as revealed in a recent commission of in-

quiry".

They are former vice-President Peter Mmusi, secretary-general of the ruling Democratic Party Mr Dave Kwelagobe and former Assistant Minister of Local Government and Lands Mr Michael Tshipinare, who all resigned as Cabinet Ministers last Sunday.

Spectra-Botswana, a subsidiary of Spectra-South Africa, has already begun the construction of the headquarters building at a cost of almost R70 million.

The opposition leaders also called on foreign embassies to exert pressure on the government for free and fair elections within six months. - Sapa.

## Witness to attack on FW punched

Crime Staff  
S. Tar  
18/3/92

A female student at the University of the Orange Free State (UOFS) was assaulted and warned at the weekend not to testify about last week's tear gas attack on President de Klerk in the university cafeteria.

Students' Representative Council chairman Coenraad Jonker said the woman told him she had received a note on Saturday night, which enticed her out of the hostel.

Outside, a man punched her in the face and warned her not to testify about the attack.

She has since been moved from the hostel to a place of safety and says she is too frightened to make a statement to the police.

Several other students also allegedly received threatening notes after the attack.

The police investigation into the March 9 tear-gassing, which has been condemned by the UOFS Board of Trustees, was "advancing rapidly", a police spokesman said yesterday.

## Rightwinger admits parcel bomb killing

Rightwinger Lood van Schalkwyk, yesterday pleaded guilty to murdering a Durban computer consultant with a parcel bomb, to attempting to kill two people with a bomb in Pretoria's Bloed Street, and to two counts of malicious damage to property.

Mr Justice Curlewis is expected to sentence him soon in the Pretoria Supreme Court.

Dr van Schalkwyk, who claims to have embarked on a hunger strike, arrived at court in a wheelchair.

Last year, Dr van Schalkwyk and two co-accused, Henry Martin and Adrian Maritz, went on a disputed "hunger strike" in an attempt to force the authorities to grant them indemnity from charges related to the Bloed Street and Durban blasts.

Police investigations revealed that commercial explosives, used for mining, had caused both explosions. — Sapa-Pretoria Correspondent.

## Stand down, Botswana's government

is urged

GABORONE — Botswana's opposition yesterday called for President Quett Masire's government to resign within six months and call an election.

They also called on President Masire to clear himself of association with several allegedly corrupt companies.

At a joint news conference, Kenneth Koma, leader of the Botswana National Front, and Knight Maripe, leader of the Botswana People's Party, condemned Cabinet Ministers Peter Mmusi, Daniel Kwelega and Micahel Tshipinaxa who resigned over allegations of land deal irregularities.

The two leaders called on President Masire to dismiss them from Parliament.

They also called for a purge of civil servants implicated in the scandals and for the cancellation of a R60 million contract for the construction of new headquarters for the Botswana Housing Corporation.



# African leaders talk on co-operating

GABARONE - Zimbabwean President Robert Mugabe, Botswana President Sir Ketumile Masire and Namibian President Sam Nujoma yesterday met in Gaborone to discuss ways of consolidating co-operation between their countries.

In a brief address, Mugabe said the three wanted to look at how they could share borders.

"We want to look at how we can, as neighbours, share a point of Caprivi Strip... We want to see how we can make our countries work together in certain directions," said

Mugabe.

He said Zimbabwe and Botswana had built a culture of co-operation and they wanted to extend that type of relationship to the newly independent Namibia.

Mugabe, referring to South Africa's referendum, said although indications were that the whites had voted "yes", the three leaders would still have to confer because a yes vote did not mean automatic majority rule.

He said the leaders would also discuss the drought. - Sapa.

Sowetan  
19/3/92



## Botrest dividend 'remote in extreme'

MATTHEW CURTIN (12)

DEBT-LADEN mining company Botswana RST (Botrest), in which Anglo American has a 12% stake, is unlikely to pay share dividends in the foreseeable future.

Chairman S M Johnson said in his annual review the payment of dividends was "remote in the extreme", because of accumulated losses and interest payments, exacerbated by weak metal prices in 1991.

Botrest subsidiary BCL produces nickel, copper and cobalt from its Selebi-Phikwe mines.

Johnson said the outlook for base metal prices in 1992 was not encouraging, with the world's recovery from recession yet to happen. Events in the former Soviet Union would continue to affect the nickel price — in 1991 unusually high Soviet sales saw nickel prices tumble.

He said high inflation in southern Africa and rising costs in Botswana would hit the company as BCL faced large capital and replacement spending programmes in the coming years, which would further raise the ideal prices levels necessary for the company to cover its costs.

The 15-year, 60-million pula loan granted to BCL via the Botswana government from the EC in December last year might prove insufficient if prices did not recover.

Botrest posted a net loss of 371-million pula in the year ended December 1991, against 149-million pula in 1990. Its accumulated deficit stood at 1,8-billion pula at year-end (1990: 1,4-billion) with long-term borrowings of 2,2-billion pula.

## Botswana now drought-stricken

GABORONE — Botswana President Quett Masire has declared his entire country drought-stricken as a result of widespread lack of summer rains. STAR 27492

In a radio broadcast yesterday, he said the whole country had received between 20 and 40 percent of its normal rainfall. Widespread

crop failure had meant the income of most Botswana was now non-existent.

He said only 64 000 ha had been ploughed, which was considerably lower than the 305 000 ha of 1989/90 and 164 000 ha of 1990/91.

The water shortage was the main problem.

On nutrition, President Masire said the situation

remained stable, with 15 percent of the country's underweight children attending clinics.

He added that his government would soon implement a human relief programme aimed at creating employment through public works.

Supplementary feeding for all children under five would continue. — Sapa.

# Botswana reels under drought

(12)

*Sowetan* 2/4/92

GABORONE - Botswana's President Quett Masire yesterday declared his entire country drought-stricken.

This is as a result of widespread lack of rain during the summer season.

In a radio broadcast, he said the whole country had received between 20 and 40 percent of its normal rainfall. Widespread crop failure had meant the income of most Botswana was now non-existent.

Masire said only 64 000 hectares had been ploughed, which was considerably lower than the 305 000ha of 1989/90 and the 164 000ha of 1990/91.

The water shortage was the main problem as pans, wells and boreholes were reported dry.

On nutrition, Masire said the situation remained stable with 15 percent of the country's underweight children attending clinics.

# Botswana's forex controls 'may go'

B10cm 7/14/92

(12)  
TIM COHEN

THERE are strong indications that Botswana intends ditching its foreign exchange regulations.

Last week the Botswana government would say only that the issue was being "actively discussed", but speculation is rife that the scrapping of Botswana's exchange control Act could take place this year.

The country has sufficient foreign exchange to cover 17 months of imports, compared with SA which has less than three months in cover.

Botswana's foreign exchange reserves currently total about \$3,6bn.

The plan to do away with exchange controls arose as a recommendation from government's bi-annual conference with the private sector — known as the Francistown Conference — late last year.

Main argument in favour of the move is that Botswana currently has large foreign exchange reserves and needs to distinguish itself from other countries in the region to retain a competitive advantage.

"A lot of people feel this further liberalisation would be one of the key instruments in establishing Botswana as an investment centre," a senior government official said last week.

"They also believe this is the best time to do it, as government is man-

aging the economy well and there is a lot of confidence in the private sector."

Some government officials in Botswana fear capital flight, but, unlike in many other countries, much of Botswana's capital reserves belong to government, which would limit the extent of flight should it occur.

Botswana had to use those few assets it had most efficiently, the official said.

He said that although the small size of Botswana's market placed it at a disadvantage to other countries in the region, some European countries with small economies had done very well, Switzerland in particular.

Botswana already had very liberal exchange controls and hence "it is not as though we will be making a 180-degree turn".

The Barclays Bank guide to business in Botswana states that any legitimate activity in the country "should encounter no difficulty with exchange control regulations".

Bankers in Botswana are very much behind the move. One described the concept as an "exciting gamble" which could result in Botswana becoming a mini financial and service centre for the region.



# Klaaste to address businessmen

12  
Sowetan  
10/4/92

MR AGGREY Klaaste, editor of *Sowetan*, will deliver the main speech at the annual dinner of Botswana's Confederation of Commerce, Industry and Manpower tonight.

Among the dignitaries to attend the dinner at the Gaborone Sun is Botswana's President, Dr Quett Masire.

The dinner is the highlight of events organised by Botswana's business community bringing together over 300 of the country's most senior business executives and government and parastatal representatives including senior ministers and permanent secretaries.

Klaaste is expected to speak on the Southern African political and economic scene.

He is expected to focus on the following:

- Political and economic developments in South Africa and future possibilities;
- South Africa and her neighbours - A geo-political analysis of the present evolutionary change in view of existing regional groupings and;
- Bilateral arrangements - economics and political.

# Pep sees Botswana as springboard to world

B/Day 10/4/92 12

LINDA ENSOR

CAPE TOWN — Pep Botswana Holdings, part of the giant Pepkor retailing group, is to be listed on the fledgling Botswana Stock Exchange in May.

This step will add impetus to plans to internationalise the Pep group.

About 8.1-million, or 30% of the company's shares, would be privately placed with institutions, staff and individuals to ensure equity participation by Botswana citizens in the operation, Pepkor and Pep Ltd chairman Christo Wiese said yesterday.

The 20-store clothing, footwear and household textile chain has been doing business in Botswana for

more than 20 years and aims to have 40 stores there by the end of the decade.

"We are very happy with our business in Botswana, very happy with the cooperation we have had from the authorities, and are impressed with the way the country is run generally," Wiese said.

"We are very happy participants in the Botswana economy, which is stable and has shown strong growth," he added.

Botswana government ministers have indicated in the past that they would like to see greater equity participation by Botswana citizens in foreign-owned firms operating there.

The Botswana government developed the stock market, which now has about eight listed companies including banks, financial institutions, wholesaling groups and insurance companies.

The stock exchange requires that at least 25% of a listed company's shares must be held by the public if it is to be listed. Furthermore, the government has offered an incentive in the form of a 5% cut in the tax rate if 30% of the shares

are held locally, an offer which made the listing of Pep Botswana Holdings an even more attractive proposal, Wiese said.

He said the listing was another step in the internationalisation of Pep's operations. A substantial part of Pep's sales and income were expected to be drawn from international markets in the '90s. The group already had a pilot store in Glasgow and a chain of 14 stores in Scotland which were being converted into Pep-type outlets.

"We believe that Botswana, being part of the Lomes Convention and having preferential agreements with other African countries, could be used as a springboard for the Pep group to further its internationalisation plans into Africa and, perhaps, into Europe," Wiese said.

"The abolition of exchange control in Botswana may enable us to use the Botswana operation to enhance and expedite our whole internationalisation programme," he said.

There is also the possibility that the Pep group will establish a manufacturing base in Botswana, which offers excellent incentives in this regard.

The operations of other Pepkor chains in Botswana, namely Cashbuild and Smart Centre, are to be expanded and the group's food interests will also open up in the country.

Pep has a sizeable operation in Namibia and Wiese said a listing there was also probable once a stock exchange was established. The chain also operates in Lesotho and Swaziland and is looking at entering the Zambian market.

Pep is the biggest retailer in Botswana with a turnover of 36-million pula an after-tax profit of 7.4-million pula and earnings a share of 30.8 thebe in the year to end-February 1992. On the offer price of 235 thebe (which will raise about 19-million pula) the share will have a price earnings-ratio of 7.6 times.

On the forecast earnings of 30.5 thebe, and an annualised dividend of 13.9 thebe for the year to end-February 1993, the share will have earnings and dividend yields of 13% and 5.9% respectively.

The company has had a strong profit growth and earnings a share are forecast to grow by 16% in the 1993/94 year and 18% for the two years thereafter.

ART 1963  
AGENTS

CORNER —  
TREET

Botortown. The site  
s 958, 959 and 960

al prices are not expected to show any improvement until end-1992 while Botrest faces a tougher operating year. For one thing, it has to increase capital expenditure to P33,7m from 1991's P23,6m to be able to maintain production rates at capacity levels.

Johnson, in his maiden review, repeats the ominous warning made so often by predecessors that financial reserves may prove insufficient if metal prices show continued weakness.

That means major shareholders Anglo American and Amax may yet again have to bail out the company.

The share is an enigma. Its movements have for a decade completely ignored the fundamentals, which are that it will never pay a dividend and survives thanks solely to the generosity of Anglo and Amax.

Yet it continues to swing in response to movements in base metals prices. Speculators can always dream that the unexplained miracle which drove the share from 45c to 550c in 1987 might be repeated. *Brendan Ryan*

BOTSWANA, RST FM 24/4/92

**The same 'sad story' 12**

**Activities:** Base metal producer in Botswana.

**Control:** Anglo American and Amax.

**Chairman:** S M Johnson; MD: M A Foreman.

**Capital structure:** 18m ords. Market capitalisation: R10,8m.

**Share market:** Price: 60c. 12-month high, 160c; low, 45c. Trading volume last quarter, 11 000 shares.

Year to Dec 31	'88	'89	'90	'91
Loans and interest (Pm)*	1 313	1 375	1 769	2 173
Accumulated deficit (Pm)	1 347	1 254	1 403	1 774
Turnover (Pm)	421	431	256	251
Metal production (000t)	47,3	39,0	37,6	37,4
Earnings (c)	(1 018)	515	(826)	(2 075)

\* 1 Botswana pula equals R1,33.

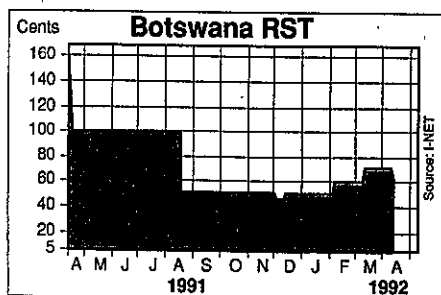
**The business cycle** at Botrest brings to mind the bitter comment voiced by generation after generation of rookie national servicemen: "We're always in the sewage — all that varies is the depth."

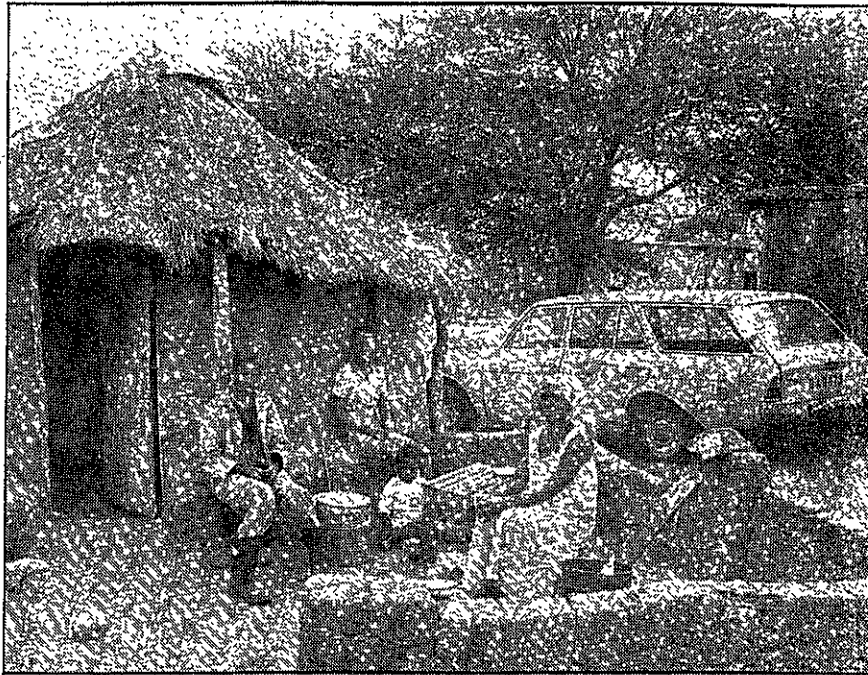
Botrest dived alarmingly deeper during 1991 as the attributable loss more than doubled to P371,4m (1990: P148,7m), taking the accumulated deficit to P1,8bn (P1,4bn).

A worrying aspect was a deteriorating operating performance, reflecting not only lower base metal prices but lower ore grades and various plant problems. Operating income dropped 41% to P45,6m (P77,9m) while average copper grade fell to 0,72% (0,75%) and nickel grade to 0,68% (0,69%).

New chairman Steve Johnson says: "Declining ore grades remain a concern and work continues to identify ways of improving the situation." Otherwise, the results show the normal Botrest pattern of operating profits being overwhelmed by actual and deferred interest and royalty payments as well as losses on currency exchange fluctuations.

The outlook looks grim because base met-





**GIVING BIRTH TO NEW IDEAS ... Botswana is one of the countries where people are realising the benefits of a smaller family.**

## Changing times for Botswana (12)

**W**HEN Peloentle Shaki Kebaswele was growing up in Moshupa village in Botswana in the 1960s, his parents hoped for a wife, a ranch-style house, a herd of cattle and lots of kids for their son.

Today young people like Kebaswele and his wife Nonofu are living in towns and cities working in government and corporate offices. The extended family idea is waning as a result.

"We need to regulate and control our birthrate so that our resources can cope," says Kebaswele, an assistant finance officer in the secretariat of the Southern African Development Co-ordination Conference.

Kebaswele was mar-

**Botswana has one of the highest female school enrolments in Africa, and also one of the lower fertility rates. MARX GAR-EKWE wrote this story for *The State of World Population - 1992*, released this week, after talking to a young couple in Botswana's capital, Gaborone, about their lives and plans for their family.**

ried to Nonofu in 1986 and they have three children with two years between each child. This gives the children the opportunity to get proper care from their parents.

This is a radical departure from Tswana tradition. The Tswana noun

for woman is mosadi - literally "One who remains behind at home when men go to work".

"A man with many children felt really secure," says Pearl Seloma, a lecturer in Oral Literature at Botswana University. By contrast, a man with only one or two children was considered cursed.

But she says some men who don't want their wives to use contraceptives because they think it would be a licence for promiscuity.

She talks sadly of a middle-aged man who has given his wife a child every year for nine years.

"This can physically destroy a person," she says. "Family planning should be a shared responsibility."

## Tenders out for <sup>(12)</sup> big Botswana dam

MEREDITH JENSEN

THE Botswana government has called for tenders for the design of a multimillion-rand dam to supply water to Gaborone through one of the longest pipelines in the world. *By Day 4/15/72*

Engineers estimate the pipeline alone will cost \$300m. It will stretch 350km from the the Moutloutse River dam to Gaborone. Several SA companies have tendered for the design and construction of the pipeline, including BKS Inc, O'Connell Manthe & Partners Inc and Van Wyk & Louw.

Botswana Water Affairs director Moremi Sekwale said: "The area around Gaborone is the most critical in terms of water supply. We need to bring in water from outside sources via a pipeline."

Sekwale said the area affected by the dam was mainly a cattle post. "This will not affect the Tuli block, which is 100km upstream from the proposed site."

An engineer, who asked not to be named because of the current tender, said: "I don't know many firms in the world who have constructed a water pipeline of this size."

He said three or four pumping stations would be needed to keep the water flowing.

The pipes, which would be about 1m in diameter, were likely to be factory produced, then transported to the site.

However, Sekwale said his government was looking for a ground water source 200km to 300km north of Gaborone which, if found, would delay the dam project for two or three years.

## Minister criticises Bop govt budgets

MABATHO — Bophuthatswana's recently appointed Finance Minister Marisa van den Berg criticised government departments yesterday for replacing original budget estimates with much higher revised estimates, and warned that all government funded bodies would have to tighten their belts. (12)

The added expenditure from revised departmental budgets reduced the expected income from government stocks by R10m for the 1991/92 financial year.

These sources had now been depleted and would no longer be used to finance ad-hoc expenditure, he warned.

Van den Berg was introducing Bophuthatswana's R4 114m budget for the 1992/1993 financial year. This, he said, was up 20,8% on the 1991-92 financial year, with more than half of its R654m development fund being spent on water, post and telecommunications and roads. A surplus of R34m had been brought forward, but there was not much chance of surplus funds at the end of the year. "As a matter of fact, if there are going to be revised estimates of expenditure which are not supported by additional income, we will start 1993-94 with either a deficit or with increased state debt in the form of loans," he said.

Van den Berg said redistribution of wealth had become an important part of southern Africa's socio-economic policies, and this trend was reflected in Bophuthatswana's spending priorities.

He said the extent to which a government could redistribute wealth did not lie in creating more government jobs, but in containing and even reducing government and parastatal expenditure. — Sapa.

# Tourists' arrest sparks dispute over island <sup>(12)</sup>

**Sowetan Africa News Service**

GABORONE - The detention of two British tourists on an island in the Chobe River has brought to light a dispute between Botswana and Namibia over the ownership of the island. *Sowetan 6/5/92*

According to Botswana government officials, the two tourists and a Botswana citizen were detained at gunpoint by Namibian soldiers last month on the island, which Botswana calls Sedudu Island and Namibia calls Kasikili Island.

The three are said to have been released after Botswana sent troops to their rescue.

Botswana's Minister of Presidential Affairs, Mr Mompoti Merafhe, said the island was part of Botswana according to the boundaries agreed on by the British and the Germans in 1890.

# Firm gets R1,3m boost

Sowetan 7/5/92.

20 12 173

SUPATRUSSE of Edenvale, a member of the Reef Group of Companies, has established an office in Botswana after being awarded a R1,3 million contract to supply roof trusses for 300 apartments in Gaborone.

The contract stipulated the supply and erection of roof trusses, sundry and chromadek roof sheeting for the 300 two and three bedroom units.

The sheeting will be supplied by Tangent Sheeting, another member of the group.

The managing director of Supatruss, Mr Paul Baron, said: "This contract has given us the opportunity to increase the scope of our services to Southern Africa and, by

involving a member of the Reef Group, it provides us with the opportunity to provide the client with a more complete service."

Many opportunities in Africa existed for South African companies, Baron said, adding "the competition for African business will escalate in future and the best time to enter this market is at present."

Supatruss, established in 1984, has grown from a half-a-million rand company, employing 11 staff members to a company with annual turnover of R5-million and employing 36 workers.



## Botswana the first to leave UN 'poor list'

GABORONE — The UN General Assembly has agreed that Botswana will "graduate" from the list of Least Developed Countries (LDCs) after a three-year transition period. It will be the first country to leave the LDC category.

Three African countries — Madagascar, Zaire and Zambia — have been added to the list of LDCs. African countries now account for 32 of the 47 LDCs.

African Recovery magazine says poor countries hope to benefit from being LDCs because some donors offer them

preferential terms.

The LDCs' annual capital requirements will rise to \$43,8bn by the year 2000, three times the level of net resource flows to these countries in 1990.

"The economies of LDCs remain weak and unstable," says UN secretary-general Boutros Boutros Ghali.

The GDP of LDCs as a group rose by only 2,7% in 1991 implying negative capital growth for many of them.

Botswana's annual per capita income was \$1 600 in 1989. — Sapa.

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(12)

Awards bring recognition

# Aids hits Botswana

*Sowetan* 15/1/92  
GABORONE - One in every six people in the Botswana capital of Gaborone is infected with the Aids virus. (12)

The ratio is one in five in Francistown.

Mr. Kegalale Gasenelwe of the Ministry of Health yesterday said 227 people had Aids in Botswana while 2 400 had the virus in a population of less than 1,5 million. *Sowetan*

# Violence focused in PWV Winnie

By Montshiwa Moroke

The violence which was plaguing the country had assumed a specific focus on the PWV and had made the area one of the most dangerous regions, ANC Women's League PWV region chairman Winnie Mandela said this week.

Addressing a media conference in Johannesburg, Mrs Mandela said the past year had been the most difficult period in the region in a long time.

This was due to various factors, but mainly because it was the country's economic nerve centre, which meant the region had the highest population density.

"Also related to this is the fact that the region carries a high number of migrant workers housed in hostels. Homelessness and joblessness are stark realities that stare this region in the face.

"A combination of all these factors has made this one of the most dangerous regions to live in in this country.

"The third force which is fanning the violence has also identified this region as a pilot project for the decimation of thousands of our people and the denial of political stability so crucial for the current process for the peaceful resolution of the apartheid problem," she said.

## Church wrangle over NGK

By Carina le Grange

Top representatives of the South African Council of Churches (SACC) and the Ned Geref Kerk met in Pretoria this week to discuss the NGK's application for observer status in the council.

Last year the SACC national conference voted to postpone a decision on the NGK's application for observer status until this year's July conference.

According to SACC general-secretary Dr Frank Chikane, the SACC considered the need for the NGK to normalise its relationship with its

three sister (black) churches as the key obstacle to the NGK being granted observer status.

Dr Chikane said the three sister churches said that "even today" the NGK had not rejected apartheid completely.

"They say the NGK has rejected only the hurtful aspects of apartheid," he said.

The NGK contends that it has unequivocally rejected apartheid.

This has been backed up by observers who saw great significance in the confession of a leading church member, repenting apartheid, at the Rustenburg Conference of Churches in 1990.

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## 1 in 6 in Gaborone has HIV

Star Africa Service (12)

GABORONE — One in every six people in the Botswanan capital of Gaborone is infected with the Aids virus, according to the country's Health Ministry.

In Francistown, the second largest town, the infection rate is said to be one in five.

Kegalale Gasannelwe, under-secretary in the Ministry of Health, told a workshop in Gaborone there were 227 known cases of Aids in Botswana and 2 400 other people were known to be infected with the virus.

Mr Gasannelwe said there were an estimated 6 million sufferers in Africa.

Price of eggs set

## New private Sandton

### clinic aims to cut costs

By Anna Cox *Star 19/5/92*  
 had personally granted the clinic its licence.

A new R100 million clinic opened its doors in Sandton this month, raising the ire of several private clinics in the country.

The Sunninghill Medical Institute is unique in that it operates strictly within medical aid rates, a first for private clinics in South Africa.

The 230-bed clinic has more than 40 doctors on the premises, seven operating theatres and the latest available equipment worth R60 million.

It specialises in cardiology and cardiothoracic surgery and has an 11-member team headed by an internationally renowned heart surgeon.

It has the backing of two major medical aid companies: Eskom and Sanmed.

The doctors who started the clinic — they cannot be named for professional reasons — said they had battled for four years to establish the clinic and had faced stiff opposition from medical circles.

Eventually National Health Minister Dr Rina Venter, who agreed that the country needed this kind of facility to bring down the cost of medical care,

"Surgical procedures will be done at medical aid prices, thereby putting sophisticated medicine within the reach of everyone," one doctor said.

"The only requirement is that the patient be on a recognised medical aid. The dispensary offers medicine at uninflated prices.

"Even patients living in other provinces travelling to Sandton would benefit from the cheaper tariffs.

"The building is plain but we have the best equipment in the country.

"There is R40 million worth of specialised equipment in the radiology department and R6 million in the intensive care unit alone," said the doctor.

The clinic offers cardiology, cardiothoracic surgery, ear, nose and throat surgery, neurology and neurosurgery, physiotherapy and an extensive rehabilitation unit, and maxillofacial and plastic surgery.

There is also a 10-bed paediatric ward.

The clinic has a 24-hour ambulance service and helicopter landing strip for emergencies.

## Botswana corruption scam

Star Africa Service (12) *Star 19/5/92*  
 unusual behaviour on the part of several consultants and contractors engaged by the corporation.

Last month several top officials of the corporation were suspended and the management taken over by an interim task force headed by a senior civil servant.

A new general manager, Constantine Mendic, a Yugoslav, has since been appointed, together with a new board chaired by ZS Pitso.

The audit investigation was ordered after the former general manager, Joe Letsholo, was found to have provided false evidence of improper or

killed in a car crash while carrying a large sum of money. An even larger sum was subsequently found in his safe.

The Assistant Minister of Local Government, Lands and Housing, Michael Tshipinare, resigned after it was disclosed that he had received a loan of R660 000 from the South African company Spectra Holdings, a subsidiary of Premier Milling.

Spectra was awarded the contract for the construction of a R70 million new headquarters for the BHC but the Gaborone City Council has stopped work on the building as no plans have been approved for it.

## Police find 2 bodies in Phola Park

By Monica Oosterbroek *Star 19/5/92*  
 Crime Staff  
 Two bodies were found and a Phola Park resident was arrested in the East Rand squatter camp yesterday during another police raid in the area.

Witwatersrand police liaison officer Captain Eugene Opperman said a man had been fatally stabbed on Sunday night. Police were unable to supply the names of the dead people.

A man, arrested in connection with a petrol bombing, was the tenth person arrested in Phola Park since Thursday.

Captain Opperman said the raid was an ongoing crime prevention exercise following the deaths of five policemen in the camp this year.

"There is no way we can allow people to attack security forces, and Phola Park residents are constantly attacking the police," he said.

Police came under attack by residents yesterday with

snipers firing shots at passing SAP vehicles.

ANC regional spokesman Ronnie Mamoepe accused the police of harassing Phola Park residents.

He said eight armoured cars drove around the camp yesterday and added: "This is part of a strategy to destabilise Phola Park."

Replying to allegations that policemen had fired shots at residents, Captain Opperman said police had used rubber bullets and teargas.

slice costs golfer R78 000

## Engen pulls off deal in Botswana

(12) EDWARD WEST (12)

IN A reverse takeover, Engen is injecting its Botswana business Oil Botswana into BGI and will emerge with 70% of an enlarged company, Engen Botswana (222) (222).

BGI is a Botswana fuel distributor and retailer listed on the Botswana stock exchange. For the transaction, Oil Botswana was valued at 14-million pula, Engen said in a cautionary announcement today.

Engen CE Rob Angel said in a statement yesterday that a substantial portion of BGI's business lay in fuel distribution and retailing. The acquisition was part of a drive to enhance Engen's share of the Botswana fuel supply market.

Angel said Engen currently operated through Oil Botswana under the Mobil trade name.

The acquisition of control of BGI would provide it with the opportunity to manage and develop business in Botswana more aggressively.

He said it was Engen's intention to rationalise BGI's businesses.

"Shareholders of BGI will benefit from being invested in a larger operation, which is expected to benefit considerably from more focused management and access to expanded markets." (12) (12) 20/5/92

BGI's name would change to Engen Botswana, and the company would remain on the Botswanan stock exchange.

Because Engen was not issuing any shares, the transaction would have no material effect on its earnings and dividends, nor on the net asset value per Engen share.

USA Defence Force: field exercises in Botswana

\*7. Mr L F STOFBERG asked the Minister of Defence:†

- (1) Whether he has been informed that the Defence Force of the United States of America held field exercises in Botswana; if so, what was the nature of the exercises;
- (2) whether he will make a statement on the matter? B622E

**THE MINISTER OF DEFENCE:**

- (1) Yes. Apparently exercises to defend strategic areas in the Gaborone area.
- (2) No.

†Dr W J SNYMAN: Mr Speaker, arising from the hon the Minister's reply, is it true that an airbase is being built in Botswana? Can he tell us which government is doing this?

†The MINISTER: Mr Speaker, that is a separate question. The original question and this one have nothing at all to do with each other. The exercise in respect of the defence of specific installations in Botswana by the USA Army has, according to our information, nothing at all to do with the building of the airbase there. According to our information the USA Army is also not directly involved in the construction of the airbase.

†Dr W J SNYMAN: Mr Speaker, further arising from the hon the Minister's reply, would he not, as far as military exercises are concerned, regard an airbase as an integral part of military activities? B623E

†The MINISTER: Mr Speaker, 240 troops participated in the exercise in which the Americans were involved, that is to say the exercise to which the hon member has referred in his question. I really do not think it is worthwhile to concentrate them there. The construction of the airbase is a totally different matter which had nothing to do with the exercise. [Interjections.]

†Adv J J S PRINSLOO: Mr Speaker, further arising out of the hon the Minister's reply, I want to ask whether he could indicate to this House just what, according to the Government's information, the USA Army's interest in this installation in a sovereign African state has been.

N3 route between Cedara and Ashburton: traffic volume

\*9. Mr W U NEL asked the Minister of Transport:

- (1) Whether the existing section of the N3 route between Cedara and Ashburton is capable of adequately supporting expected traffic volumes until the year 2007; if not, why not; if so,
- (2) whether any construction work on a new by-pass, whether tolled or not, will be started in the vicinity of Karkloof before the year 2002; if so, what are the relevant details;
- (3) whether he will make a statement on the matter? B631E

**THE MINISTER OF TRANSPORT:**

- (1) In assessing the capability of the Cedara-Ashburton section of the N3 route to support expected traffic volumes until the year 2007 adequately, it has to be noted that this section comprises four subsections of varying physical characteristics and capacity. The capabilities of the four subsections vary accordingly
- From the east the subsections and the years at which practical capacities will be reached, based on an estimate of 4% growth, are:

- (i) Ashburton to Mkonteni: 2007;
- (ii) Mkonteni to Sanctuary Road: 2005;
- (iii) Sanctuary Road to Hilton: 2000; and
- (iv) Hilton to Cedara: post 2007.

I, therefore, have to reply, yes, two subsections will be able to support expected traffic volumes until 2007; and no, two subsections will not be able to; the reason for this is that these subsections are increasingly affected by commuter traffic.

- (2) No, following current indications, construction on a new bypass in the vicinity of Karkloof, whether tolled or not, will not be started before the year 2002. It would further depend on (a) traffic growth and the resulting conditions on the existing road; (b) the availability of funds and (c)

whether the Karkloof route is eventually chosen after environmental studies.

(3) No.

**Representations by USA: missile development and production**

\*10. Mr C W EGLIN asked the Minister of Foreign Affairs:

- (1) Whether the South African Government has received any representations from representatives of the United States Government relating to the South African missile development and production programme; if so, what was the (a) (i) nature and (ii) content of these representations and (b) Government's response thereto;
- (2) whether he will make a statement on the matter? B632E

†The MINISTER OF FOREIGN AFFAIRS:

- (1) A US delegation under the leadership of Mr Richard A Clarke, Assistant Secretary of State for Politico-Military Affairs, held discussions on various non-proliferation issues in Cape Town on 11 and 12 February 1992 with a South African delegation

- (a) (i) In mid-1990 South Africa signalled its desire to the United States to participate in the Missile Technology Control Regime. The MTCR is a multilateral suppliers regime to control the diffusion of technology that could be applied to weapons of mass destruction.
- (ii) The contents of the discussions revolved in part around South Africa's possible participation in the MTCR.
- (b) The matter is still under discussion

A further round of discussions is foreseen in the near future

- (2) Yes. The images of Iraqi Scud missiles launched against Israel during the Gulf War last year highlighted the international community's concerns about the proliferation of weapons of mass destruction and the means of delivery of such

## Pep Botswana's listing expected to be a hit

PEP Botswana will be the first retailing company listed on the Botswana Share Market (BSM). *biday 21/5/92*

A spokesman for Stockbrokers Botswana said yesterday that the listing on June 15 was expected to be one of the most successful since the BSM's inception in 1989. The BSM had been dominated by financial institutions.

Analysts expected the offer of 8-million shares to be oversubscribed. At the public offer price of 2,35 pula, the p/e was 7,6 times and the dividend yield was 5,9%. The first dividend would be an interim of five

*(JKB)* **MARCIA KLEIN** *(12)*

thebe in November, the spokesman said. Stockbrokers Botswana CE Bill Picken said Pep's performance was expected to mirror Botswana's economic growth as it was "ideally placed to benefit from a growing population which is enjoying greater spending power".

Picken said the company would probably qualify for a reduced 35% income tax rate in its 1993/4 tax year. Shareholders would be exempt from capital gains tax once Pep Botswana qualified.

## **Making inroads**

(12)

Listed Time Holdings' subsidiary Time Botswana is continuing to make inroads into the local construction market. It has won three contracts over the past six months. They are:

- The R80m Kgale Hill housing scheme on the outskirts of Gaborone;
- A R6m diamond cutting plant at Molepolole for Lazare Kaplan, one of the largest diamond polishing firms in the world; and
- The R5m, second phase of the Gaborone Private Hospital.

A few years ago Time built the Morupule Power Station for the Botswana Power Corp and the Francistown Abattoir for the Botswana Meat Commission.

Work has started on the R65m first phase of the Kgale Hill scheme — which will consist of 400 homes ranging in price from R70 000 to R200 000. Completion is scheduled for the end of next year. The second phase — which will overlap the first — will consist of custom-made and complete housing packages with bond financing, individual home plans and construction. The first of these are expected to be ready for occupation in August.

The Molepolole plant will be the second diamond cutting plant developed in Botswana in recent times. The other is at Serowe. They are part of the government's policy of adding value to raw materials. Lazare Kaplan is training locals to cut the gems. The plant will eventually provide employment for 500 Botswana when it is fully utilised in 1995. According to Time Projects Botswana MD Sandy Kelly, construction started on Molepolole this month and the project will be completed in October. ■



# Lithosaver goes back to its roots

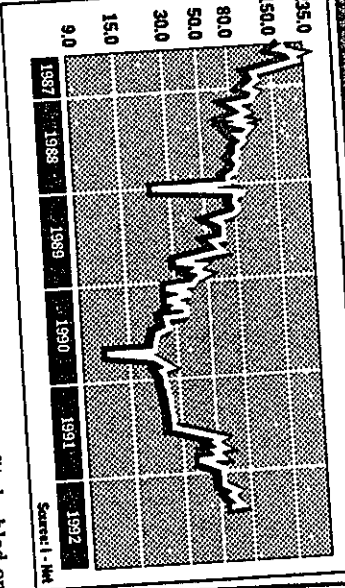
LITHOSAVER looks cheap at 65c — 3,5 times historical earnings of 18,1c and a 23c discount to net asset value.

The 1987 listing, which makes and prints computer business forms and documents, succumbed to a spending spree to get one step ahead of a major sanctions threat that never materialised.

Too much was spent all at once on equipment, some of which became outdated almost as it was commissioned in a fast-moving business. Too-rapid growth accompanied by so many new staff members who could not adapt to the corporate culture led to dissatisfaction among customers.

"We alienated many customers," says managing director Neil Birch. "Two years ago we hit the bottom and realised that we weren't getting anywhere. We refocused our attention on what we do best."

Hardly a year later, Lithosaver is reaping the benefits of getting back to basics. The three factories each concentrate on a segment of the market instead of trying to do everything. The Industria North plant in Johannesburg adds value through specialised products, the Aeroton plant, south of Johannesburg,



makes in Alberton high-volume low-margin listing paper and the Cape Town factory concentrates on longer runs, such as tenders, as well as giving regional support.

The product range has been extended both to enhance business and pre-empt changes, such as the new credit-card ship system. Envelopes offer plenty of scope — pre-printed folders like the M-Net account are an example. Lithosaver's earnings in the year to February 1992 showed a big improvement on 1991, which was a turnaround in itself from 1990's loss.

Turnover was slightly short of R70-million, 20% higher in absolute terms and showing a real increase of 12%, much of it in the second six months.

Operating profit doubled on better asset management gearing more than halved to 38% and the balance sheet looked strong at February 29.

Net asset value grew by a fifth to 88,3c on conservative calculations — assets have not been revalued since the exchange rate was R1,31 to the dollar.

Mr Birch says Lithosaver has hardly suffered a bad debt in 17 years. The group is controlled by its directors, who jointly hold about half. Stationer Waltons has 30%.

At the current pace of recovery, the downside for Lithosaver's shares looks limited. The price fell to 10c at the all-time low, but has been as high as 70c recently. It can go a little further if the bull market continues.

## DIAGONAL STREET by Julie Walker

# Engen, Pep to be listed

## in Botswana

BOTSWANA beckons to two more of SA's glamour groups, Pep and Engen. This week it was announced that Pep Botswana Holdings would be listed on the retailer to be listed on the booming three-year-old Gabrone share market.

All subscribers for the 8-million shares will be allotted some. The offer is likely to be well received. The company's 175 employees are offered 100 000 shares at P2,10 — a 25c discount to the public price. Pep is Botswana's biggest retailer with 20 stores. It will look at opportunities for clothing manufacture there.

Stockbrokers Botswana chief executive Bill Picken believes Pep will benefit from a growing population enjoying increased spending power. Its 1991 pre-tax profit of P11-million is a 31% margin. It will probably pay 35% tax in the coming year and

Engen will own 70% of the enlarged company, which will be renamed Engen Botswana. Engen says the acquisition will allow it to manage and develop its business in Botswana more aggressively. The deal is subject to approval by the SA Reserve Bank, the Bank of Botswana and BGI shareholders.

# Botswana, Namibia in river island dispute

By Dale Lautenbach  
Star Africa Service

WINDHOEK — Namibia and Botswana have declared a border dispute over a small island in the Chobe River, but have agreed that a joint survey team should be appointed to settle the matter amicably and finally.

When President Sam Nujoma of Namibia viewed the disputed island of Kasikile yesterday with his counterparts from Botswana and Zimbabwe, Presi-

dent Masire and President Mugabe respectively, the national flag of Botswana was flying over the island.

The meeting took place in Kasane in Botswana from where the three presidents inspected Kasikile.

Namibia and Botswana claim the island in a dispute which surfaced in February this year when the Botswana flag flew over the island, roughly 3 sq km in area, and subject to the rise and fall of the river.

## Gaborone houses get started

Business Day Reporter

(12)

CONSTRUCTION of the first phase of Time Botswana's Kgale Hill housing project on the outskirts of Gaborone started when contractor Concor Botswana moved on site recently.

*B. Day 29/5/92*  
"Everything is going according to schedule and we expect the first homes to be handed over in August this year," says Time Project MD Sandy Kelly.

"The first phase of the 40-million Pula development will consist of 400 homes and is scheduled for completion at the end of 1993.

"The second phase, which will overlap the first, will consist of individually developed homes aimed at the private sector and is expected to alleviate the housing shortage in the city."

## Pep's offer well received

6/10/1992 LINDA ENSOR (12)

CAPE TOWN — Pep Botswana's pre-listing offer of 8.1 million shares was significantly oversubscribed with applications for 13-million shares received from 900 applicants, Stockbrokers Botswana said yesterday. Foreigners applied for 3.6-million shares which were being issued at 235 thebe each.

The issue attracted more than 30-million pula. Stockbrokers said 560 Botswana citizens applied for 646 000 shares, 196 non-citizens applied for 482 000 shares and 101 staff applied for 100 000 discounted shares.

The results of the offer will be announced on Friday. The listing is scheduled for Monday.

Pep Botswana has 20 branches and is forecasting a turnover of about 41.4-million pula and taxed profit of 3-million pula in the year to end-February 1993.

# To Sir, or not, is the question

STAR 16/6/92

(12)

TO SIR or not to Sir — that is the question faced by anyone who has occasion to address or refer to President Masire of Botswana.

It is a question that has quietly bothered various people in Botswana for some time and I raise it again after having been taken to task by a resident of Gaborone for referring to the president in this column last week as plain Mister.

As a supposed Africa specialist I ought to know, this reader informed me, that the president was now Sir Ketumile, having been honoured by Queen Elizabeth during a state visit last year.

Well, yes, so he was. But it has never been quite clear whether the honour in question entitles President Masire to be called Sir. Spurred by the rather impolite fax from the Gaborone resident, I spent a lot of my company's money telephoning Buckingham Palace, the Foreign Office and Burke's Peerage in London in an effort to get to the truth of the matter.

An official in the press office at Buckingham Palace told me that Dr Masire was made an honorary Knight Grand Cross of St Michael and St George (GCMG) and that as it was only an honorary award it certainly did not bestow on him the right to be called Sir.

However, another official in the Palace press office took the view that the question falls into a kind of grey area. It had largely to do with the fact that the honour was a British one, whereas Dr Masire was not a British citizen, she said. He could certainly be called Sir Ketumile while visiting Britain but there was less certainty about whether he might be so addressed in Botswana or anywhere else outside of Britain. Burke's Peerage took a similar view.

Perhaps we should leave the matter where President Masire himself left it when, after receiving the honour from the Queen, he was asked when he returned to Gaborone what he should now be called. I am told that his response was: "You may call me what you like." That is fairly typical of Dr Masire, never been noted for pomposity (but which is no excuse for his having been called Mister in this column when he should at least have been called Doctor).

## Out of Africa

GERALD L'ANGE



However, since the Botswana government is now officially calling him Sir Ketumile and since the Gaborone newspapers, after a period of hesitancy, are doing the same, it would seem churlish to do otherwise.

Sir Ketumile, I am your servant, sir ... I mean, Sir.

There was another spinoff from last week's column, in which was related how a Boeing 737, full of southern African Cabinet Ministers apparently almost flew into the back of a slower plane, shortly after taking off from Jan Smuts Airport, causing the pilot to take violent evasive action. Since then I have been told by a source whose credentials I have every reason to respect that it wasn't quite like that.

It seems that the Cabinet Ministers were actually the victims of a phenomenon known as "weight turbulence", which is the violent churning of the air behind an aircraft. Obviously, the bigger the plane, the more violent the vortex. If another plane flies into the turbulence it can get tossed about and the smaller the other plane the more violent the tossing.

Normally the minimum two-minute interval between the take-off of aircraft allows the turbulence behind each plane to have dissipated or sunk below the flight path by the time the next one comes along. But certain atmospheric conditions can cause the turbulence to stay put for more than two minutes.

This is what happened to the ministerial Boeing 737, according to my source. It ran into turbulence from an Airbus that had taken off ahead of it. I am assured by my source that there was never any danger to the ministers' lives — only to their lunches.

Indirectly confirming this, the Deputy Director-General of Transport, Japie Smith, says no report of a near collision was filed, as would have been obligatory had there been one. □

# Forward planning helps Botswana beat the drought

GABORONE — Careful planning has helped Botswana weather southern Africa's drought better than its more fertile neighbours.

"When you grow from a boy in the dust, you learn to live without rain," said Moses Mosienyane, herding cattle along a road east of Gaborone. "We know this drought others do not understand."

In Botswana, where the Kalahari claims more than three-quarters of the land, this year's harvest will account for only 5% of the country's nutritional requirements, according to the UN's World Food Programme. Yet no one is expected to starve.

Even before the drought hit, Botswana had in place a food security plan at schools and health clinics that provided meals to needy children under five and to pregnant women. When the drought struck, the plan was extended to include everyone under age 10 and the elderly and handicapped.

Such plans helped Botswana survive the 1982-1987 drought without a single starvation death reported. The country has one of the lowest malnutrition rates in southern Africa, according to the World Bank.

President Quett Masire's government knows the country's arid land will never provide enough food for the 1.3-million people. Even when the harvests are good, the country needs more than 200 000 tons of cereal imports annually, chiefly from SA.

But Botswana, blessed with diamonds, is one of Africa's wealthiest countries and has maintained large foreign reserves, partly because it knows it will face periodic emergencies.

Civil construction schemes provide short-term supplementary income for up to 90 000 citizens annually.

"Instead of selling his cattle, a man can build a house," said Ken Clark, Britain's commercial attaché in Botswana.

"His income keeps the general food merchant in business because food isn't just handed out, and the whole economy stays on course."

Dr Josephine Namboze, the World Health Organisation's representative in Botswana, said the group would provide technical assistance for Botswana's emergency public works programmes.

"They know the country is vulnerable to drought, and the machinery is in place to deal with it," Namboze said. "Work gets done and the people get fed."

Masire, the low-key president, is leading regional appeals for drought assistance as chairman of the Southern African Development Co-ordination Conference.

The region needs more than 10-million tons of imported food over the next year, and the response so far from donor nations has been promising. — Sapa-AP.

## Orient Express Hotels buys Botswana camps

LINDA ENSOR

(12)

CAPE TOWN — Orient Express Hotels, which owns the prestigious Mount Nelson Hotel in Cape Town, has purchased six game camps in Botswana for an undisclosed sum.

*B/D am 17/6/92*  
A spokesman said the group would spend more than \$3m over the next three years to upgrade the game camps to luxury standards, and refrigeration, lighting, heating and sanitation facilities would be improved.

Gametrackers Botswana and Xaxaba Camp Pty have been bought in the deal which includes the acquisition of Air Xaxaba, Orient-Express Hotels regional director Nick Seewer said yesterday.

Four of the six camps are located in and around the Okavango Delta in Botswana's Moremi wildlife reserve and two further north in the Savuti Channel of the Chobe National Park. The camps which include Kwai River Lodge, San-Ta-Wani, Xaxaba, Qhaaxwa, and Savuti South, offer extensive gameviewing and birdwatching opportunities.

The camps are small, exclusive destinations offering personalised service and eventually will cater for no more than 24 people at one time.

Seewer said the acquisition of the camps would enable Orient-Express Hotels to offer tourists a total package including the camps, the Mount Nelson Hotel in Cape Town and Fancourt outside George which was under Orient-Express management. To complete the package the acquisition of an exclusive hotel in Johannesburg was being investigated.

Additional aircraft would be bought to transport guests and luggage between camps and the present fleet of 12 safari vehicles would be upgraded.

"Gametrackers is a valuable acquisition. We intend, through appropriate capital investment and particularly through considerate management, to make a contribution to the preservation of one of the world's last great wilderness areas," Seewer said.

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its market share should at  
least be maintained for  
the foreseeable future,"  
Mr Cook said. — Sapa

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STAR 18/6/92  
**Orient takes  
over safari  
operation**  
(12)  
By Tom Hood

CAPE TOWN — Orient Express Hotels, owner of Cape Town's Mount Nelson, has boosted its investment in southern Africa to R57 million by the takeover of Gametrackers, a luxury safari operation in Botswana.

The London-based group will spend R9 million upgrading six game camps and a fleet of 12 safari vehicles.

Air Xaxaba has also been bought for an undisclosed figure and its three Cessna 206 aircraft will transport guests and luggage between the camps, says Nick Seewer, regional director of Orient Express Hotels.

**Upgrading**

The game camps will be upgraded to high standards with staff trained at the Mount Nelson Hotel but numbers will be restricted to between 16 and 20 guests.

Mr Seewer says: "Gametrackers is a valuable acquisition. We intend to make a contribution to the preservation of one of the world's last great wilderness areas."

Four of the camps are at the Okavango Delta in Botswana's Moremi wildlife reserve and two are further north in the Savuti channel of the Chobe National Park.

Tariffs range from R6 800 for seven days to R12 800 for 13 days.

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**BDP men suspended after inquiry**

2/1/92 2/1/6/92

BOTSWANA Democratic Party chairman Peter Mmusi and secretary general Daniel Kwelagoe have been suspended by their party after allegations that they were involved in dubious land deals.

The BDP said the move was made "in the interests of the party and to ensure the discipline of its members". Both men were implicated in the revelations after the Kgabo commission of inquiry into land allocation in the Gaborone dis-

TA

## BOTSWANA BOURSE

## Listing for Pep

FM 26/6/92  
(12)

There are 150 000 people in Gaborone, that bustling little metropolis with a fair share of high-rise buildings and traffic jams at rush hour — only a few kilometers from the western border of the Transvaal.

Unknown to most, it boasts a stock exchange that has a market capital of just under R1bn. Until last week nine counters made up the market. Then Pep Botswana had a much-acclaimed listing, to boost the aggregate market value of shares on the exchange by about a tenth.

The Botswana share market, managed from inception by Bill Picken, granted Pep Botswana a listing of 27m ordinary shares, the entire issued share capital. Employees, the public and institutions were offered 8,1m shares (30%). Employees were offered 100 000 shares at 210 thebe each (100 thebe make one pula, or R1,33), the public were offered 1,5m at 235t, and selected places were offered 6,5m, also at 235t.

The issue was 60% oversubscribed. Three European funds had their applications cut substantially. Applications from the public and, in the case of those who subscribed for more than 25 000 shares, some places had to be reduced. When listing began shares changed hands at 250t and 255t. Closing trade was at 255t, placing the share on a dividend yield of 5,5% and a p:e of 8, somewhat different from the 22 p:e applied to Pep Ltd on the JSE. Volume for the day was 16 000 shares, unusually large for this emergent market.

Pep Botswana chairman Christo Wiese said he regarded the listing, a first for Pepkor outside SA, as "most successful." Having attracted P19m (R25m), it was the largest flotation on the Botswana bourse.

Pep is the first retailer to be listed in Botswana. Of the other nine counters, two are banks: Barclays (p:e of 7,9 and dividend yield of 5,5% and Standard Chartered (p:e of 8,8 and yield of 6,4%). Neither is affiliated with their former SA counterparts; both

are associated with their London namesakes.

Two shares are insurance based — Botswana Insurance (p:e of 11,7 and dividend yield of 3,6%) and IGI (p:e of 10,6 and dividend yield of 4,1%). Energy is represented by BGI, into which Engen (Botswana) is to be reversed. Sechaba, a closed-end investment trust and FSC, a financial services company partly privatised by the Botswanan government, represent the financial sector. Sefalana, a food processing and wholesaling organisation, and Inco, which markets tyres and security services make up the balance.

The Botswana share market was started by Stockbrokers Botswana in May 1989. Five counters came to the market soon after and the Botswana index, composed by weighting the market capital of the shares then listed, was created in June 1989 at a base of 100. Immediately before the Pep listing it was 288,09.

Success of the share market in Botswana stems largely from the economic and political stability of the country and successful implementation by the Botswanan government of free-enterprise policies. Diamond mining, meat exports and tourism are the mainstays of the economy. For some years the balance of payments has been in surplus, enabling foreign exchange reserves exceeding US\$3,8bn — the highest per capita in the world — which authorities have to deploy with great sensitivity to avoid overheating the economy and creating conspicuous consumption among the 1,5m population.

On the face of it, the large and arid country has little to offer. But it is one stable country in Africa that is a place of great opportunity.

That's why some overseas institutional investors participated in the Pep issue. And that's why Pep has listed its successful enterprise there.

Gerald Hirshon

BOTSWANA FM 26/6/92

**Green and wet**

(12)

The Botswana government has officially abandoned a controversial plan to drain water from the Okavango delta to supply nearby towns, farms and Orapa diamond mine. The R50m plan, known as the Southern Okavango Integrated Water Development Project, sparked an international outcry and threats of a boycott of Botswana's diamonds.

Botswana's economy depends on diamond exports. The three main mines, Orapa, Jwaneng and Letlhakane, are controlled by Debswana, a company owned jointly by De Beers and the Gaborone government. Debswana produces about 16m carats annually.

The water scheme centred on the dredging of a 42 km channel in the Boro River. It was postponed last year after massive bad publicity and public opposition including:

- A community meeting, known as a kgotla, at Maun on the southern fringe of the delta, attended by about 500 people, at which the scheme was overwhelmingly rejected;
- Opposition by MPs of the ruling Botswana Democratic Party;
- Talks between government and an international Greenpeace delegation; and,

A statement by De Beers that it neither needed nor wanted delta water for Orapa.

Last month parliament debated a report on the scheme by a team under Ron Manley of the World Conservation Union which recommended that it should be abandoned. Government subsequently formally announced that "the proposal has been terminated and is no longer under consideration."

Though there is a need for reliable water supplies in the dry areas south of the delta, environmentalists argue that draining even about 2% of the delta's water — which is what the scheme would have done — could destroy the fragile ecological balance.

The delta is regarded as one of the most valuable and pristine wildlife sanctuaries in Africa. It forms the core of Botswana's attraction as a high-cost, low-volume international tourist destination.

The government said the scheme would affect only about 60 km<sup>2</sup> of the delta but opponents claimed the impact would be felt in 600 km<sup>2</sup>.

Just after the scheme was suspended last year, Mineral Resources & Water Affairs Minister Archie Mogwe said that while Orapa would benefit from additional water, the project had not been planned for the mine alone.

However, he warned that the government may one day have to reconsider tapping the delta for water. "Botswana is a dry country. We are looking at rivers flowing in eastern Botswana for increased water supplies. One day we will have exhausted the harnessing of these waters. Bear in mind that these rivers are shared with other countries.

"We may one day have to go as far as the Chobe (River) for water. If we have exhausted our underground and river resources, we may one day have to consider the Okavango. We also have to remember that we share the Okavango waters with Angola and Namibia. One day they may make more use of these waters and this might affect us. We have to look at all these possibilities." ■

## German held on <sup>12</sup> corruption charge

Africa News Service

GABORONE — In the first prosecution of an expatriate arising out of the Botswana Housing Corporation scandal, a Gaborone court has remanded Klaus Bisse (40), resident manager of Prack Consult (Pty) Ltd, on a charge of having engaged in corrupt practices.

STAR 30/6/92  
Mr Bisse, a German national, was said in the charge sheet to have given former BHC general manager Joseph Letsholo the equivalent of R25 000 in return for funds of about R40 million from the BHC for housing contracts.

Mr Letsholo, who was killed in a car crash earlier this year, is alleged by the prosecution to have helped Prack Consult obtain consultancies worth R18 million, R17 million and R9 million respectively.

Mr Bisse, who was not asked to plead, was unable immediately to raise bail and was remanded in custody.

# Murder accused are acquitted

By MONK NKOMO

12  
Sowetan  
30/6/92

THE Lobatse High Court in Botswana has acquitted six members of the Azanian National Liberation Army on two counts of allegedly murdering two of their colleagues.

Mr Nkutshweu Motsau (37), Mr Harrison Phiri (21), Mr Louis Kowalane (23), Mr Nick Bell (29), Mr Bethuel Motaung (24), all of Gaborone, and Mr Neville Alexander (19), of Harare, were found not guilty by Mr Justice Gyke-Dako on Friday.

They were alleged to have killed Mr Steve Dlamini and Mr Tsakane Seepa.

The judge acquitted them because of lack of evidence.

The six appeared with five other members of the Black Consciousness Movement of Azania on charges of possessing arms of war.

Their attorney, Mr Moss Mavundla said yesterday all the accused, except for Motsau and Alexander, were convicted on charges of possessing arms of war.

The other five accused included Mr Vusimuzi Thabethe (21), Mr Welcome Rapodile (21), Mr Robert Ndebele (20), Mr Vuyo Mosenya (19) and Mr Plaatjie Mashigo (24).

The nine were sentenced to five years' imprisonment.

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## Premier talks on Botswana probe

A PREMIER Group associate company in Botswana has been drawn into a corruption probe, but the conglomerate said there were no major adverse financial implications regarding the issue.

The Botswana Housing Corporation, probing a number of projects which had been paid for but allegedly not carried out, wanted to cancel a R75m construction contract won on tender by Spectra Botswana, which was set up by Premier and local partners.

"We will be fighting the cancel-

lation notice," the spokesman said. When asked to respond to market talk on the land and housing scandal, he said: "We are not involved. Our only involvement is in the building contract."

Spectra won the contract to build the housing corporation's new headquarters.

"Some expenditure has been incurred, but there are no major financial implications for Premier," the spokesman said. — Reuter.

## Plate Glass to bed down after spate of structural changes

PLATE Glass & Shatterprufe Industries (PGSI) would spend the next year bedding down its businesses following major changes to its structure, chairman Ronnie Lubner said in the annual review.

Despite "an unexciting international economic outlook", he has forecast some growth in earnings a share and a significant reduction in the losses of subsidiary Belron International. The real earnings potential of the group would be realised in the medium term.

The group, which operates in 18 countries, includes Glass SA, board company PG Bison, automotive replacement glass company Belron International and central African glass operations.

During the year to end-March, PGSI underwent some major changes. SA Breweries acquired control of PGSI, PGSI increased its interest in Glass SA to 96,8% and in PG Bison to 71,7%, it had a R354m rights issue, reduced gearing, re-

MARCIA KLEIN

formulated its mission and reconstituted its board.

The effect of the various funding transactions "was effectively to double the value of PGSI's equity base to nearly R2bn", Lubner said.

The benefits of these changes were not reflected in its March year-end results, in which earnings dropped by 25% to 308,6c a share on a 14% turnover decline to R2,0bn.

Lubner said results were affected by continued losses in the US, development costs in Europe and tough conditions locally.

The 85%-held Belron International showed a 60% decline in operating profit and a loss of 121c a PGSI share. Lubner said Belron International, which is responsible for the group's worldwide automotive glass replacements, suffered from development costs in Europe and trading losses in the US and Australia. Autoglass UK produced sparkling results.

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**Time to open  
in Botswana**

*(12)*  
*(20) B10am*  
GAVIN DU VENAGE  
*7/1/92*

TIME Holdings has received a licence to establish a life office in Botswana, adding to its substantial property and project management investments already in place.

Time Botswana chairman Colin Hibbert said at the weekend the firm would be investing nearly R3m initially, and operations should start in September.

There were only two life offices serving the country which had prospered over the past decade with sustained economic growth and political stability.

Hibbert said as people became urbanised, they moved away from traditional forms of investment like cattle and agriculture, opening the market for other investment vehicles.

The company established itself in Botswana eight years ago, and currently has contracts in excess of R100m.

# Project to aid farmers a disaster

■ **Bogged down: A multi-million scheme in Botswana has collapsed:**

Sowetan 7/7/92

Sowetan Africa News Service (12)

**GABORONE** - While a multi-million rand scheme to aid farmers in the central and southern Pandamatenga region has virtually collapsed, the government persists in a plan to extend the scheme into the environmentally sensitive north.

Of 34 farmers given financial aid, only eight still operate and all of them owe considerable sums of money to the National Development Bank (NDB).

According to Dr Sandra Cooper of the University of Botswana, the government failed to carry out feasibility studies before the European Community donated about R5,5-million to the scheme.

Farmers are now unable to pay their debts and the NDB is selling off repossessed assets, including 25 tractors.

Cooper blamed the Botswana government for not helping the farmers enough. "The roads are sub-standard. People have to row boats to get to fields."

She said: "The project has failed to produce a surplus of anything other than unwanted sorghum, rampaging rats, toxic chemicals, social turmoil and decimated wildlife."

Cooper said that despite disasters in the central and southern Pandamatenga area, "there is talk of extending the scheme to the ecologically vulnerable Northern Plain".



# AFRICA NEWS Threat to Botswana ecology ● African conference bogs down

## Court ruling welcome

**GABORONE** - An Appeal Court decision that Botswana's citizenship law discriminated against women could have serious consequences for Botswana's male-centred legal system. Women in Botswana are applauding attorney Ms Unity Dow for winning a legal battle against the government and the Citizenship Act which denied citizenship to two of her three children on the basis that their father is a foreigner. The father of a Botswana-born child was a citizen and the mother a for-

## Africa in brief

**South Africa** - The children would get citizenship. **India** - First at the entrance of Annapurna, a camp east of the peak of Mt. Sison, 40km south of Beaurivage. *Reuter.*



# Ranchers tighten the screws on wilderness areas

CONSERVATIONISTS fear Botswana's growing cattle industry could decimate the country's remaining wilderness areas and wildlife.

The Okavango Delta, which attracts thousands of tourists annually, is steadily being isolated by veterinary or buffalo fences — designed to protect cattle.

Cattle are turning millions of hectares of land into desert and environmentalists believe government feels the cattle industry's demands take precedence.

On the northern fringe of the Okavango delta 4 500km<sup>2</sup> are being fenced off to provide more grazing for cattle.

Seventeen percent of Botswana's land surface is set aside as national parks or wildlife reserves.

The country is considered to possess some of the best-conserved ecosystems in Africa. However, cattle ranchers have in recent

years constructed boreholes, service roads, abattoirs and fences designed to keep cattle apart from wildlife to stop the spread of contagious disease.

The 2 800km of fences webbed across Botswana have seriously disrupted wildlife migration and breeding cycles.

In the early 1980s, tens of thousands of Wildebeest died because a veterinary fence cut them off from a seasonal waterhole.

## Lobbying

Wildlife film maker Rick Lomba, who has been deeply involved in lobbying funding agencies and conservation groups over the damage caused by Botswana's cattle industry, says the authorities are opening up the Okavango for cattle ranching.

Lomba, quoted in the lat-

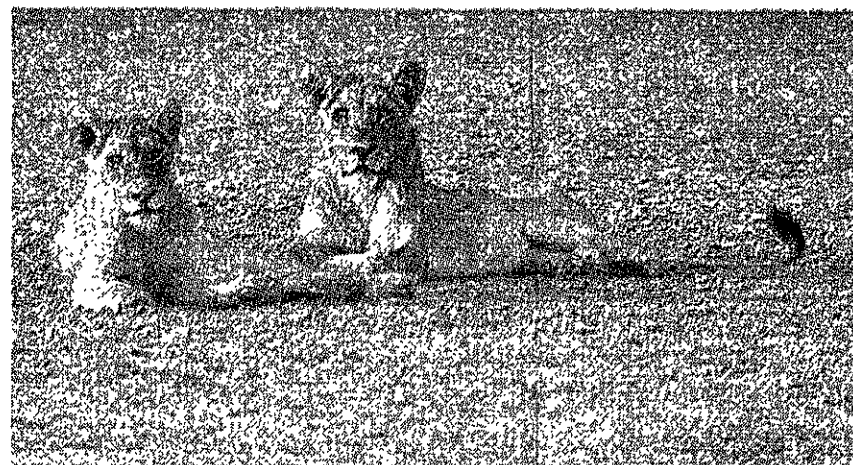
est edition of wildlife magazine *Bushcall*, said 4 500km<sup>2</sup> east of the Okavango river, on the northern fringe of the delta, were being cut off by the northern buffalo fence to allow cattle to move in.

The delta would have been encroached upon long ago had it not been for the presence of the tsetse fly — carrier of "nagana", a disease endemic among African herbivores but fatal to cattle, Lomba said.

Tsetse fly was being systematically eradicated by spraying programmes, allowing cattle into the lush swamps and floodplains of the delta, a permanent water source in an otherwise thirsty land.

During the mid-1980s drought one third of all cattle died in overgrazed areas, forcing ranchers towards the water-rich delta.

"In spite of local and international concern and protest about the project, the government is going



Cattle farmers threaten Botswana's wildlife.

ahead without either environmental impact assessment or consideration for the socio-economic repercussions," Lomba said.

The scheme was defended by government officials who claimed that the northern buffalo fence was intended to protect wildlife.

"They ignore the fact that the fence will prevent the seasonal movement of thousands of animals to and from the northern reaches

of the delta, and that since it has to cross major waterways, it will be ineffective in inhibiting the movement of buffalo," said Lomba.

Since cattle owners had become intent on developing Botswana's livestock sector 30 years ago, about 1.2-million wild animals — including 98% of the Central Kalahari Game Reserve's large herbivores — had been eliminated.

Lomba said govern-

ment's attitude raised the question of whether the main interest was short-term gains in unsustainable cattle ranching, regardless of environmental sacrifice, or whether government was prepared to encourage maintenance of the ecologically intact wilderness regions which had the potential to sustain ecotourism and controlled consumption for the long-term benefit of the nation.

## Even South Africans can afford to go on a five-star delta safari

AN EIGHT-day five-star safari into the Okavango delta with its 15 000km<sup>2</sup> of waterways would seem affordable only to those who visit Africa with foreign currency.

However, this is not true, says Mike Gourlay, who runs six Orient Express exclusive game camps in one of the most sought-after tourist spots in southern Africa.

Although foreigners outnumber South Africans on safaris to Botswana, visits to the country are affordable, Gourlay says.

A typical Orient Express or Gametracker's safari includes an average stay of six nights, but the ideal duration is eight days, Gourlay says.

Safaris of up to 15 days are available.

Guests fly in on sched-

uled Air Botswana flights, rather than chartered flights, to the capital — Gaborone — or the town of Maun, situated in the Okavango area, where they clear customs.

"At this point guests are taken into our system.

### Comfortable

"Aircraft owned by our group fly them to one of our six camps, where they receive top-class service, full catering and have comfortable accommodation with refrigeration, lighting, heating and sanitation facilities."

They have the opportunity of two game views a day, either on water or land, before being flown by experienced pilots to the next camp.

Gourlay says Orient Express's six camps are

spread among ecosystems — two in the swamp lands of the Okavango delta, two in its peripheral dry lands and two in desert lands.

Depending on the duration of their stay, guests spend time in all three ecosystems — or at least two of them.

Guests are constantly accompanied by experienced guides with extensive knowledge of game, birds, plants, insects and reptiles.

Although surrounded by comfort, guests are in the heart of Africa.

Driving in open safari vehicles provides the opportunity of closely viewing many different kinds of antelope, elephant, hippo, graffe, lion, jackal and hyena.

If they are lucky, visitors could also see leopard, cheetah and wild dog.

## Botswana moves to control tourism

THE Botswana government recently introduced a White Paper on Tourism — a move in line with the need to limit numbers and preserve the environment.

Widely welcomed by the country's tourism industry, run mainly by the private sector, the tourism policy has been formulated on the basis of high-cost, low-volume tourism.

The White Paper also coincides with government's initiative to increase tourism's contribution to the economy.

Emphasis is being placed on bringing tourism "home" through forcing Botswana-registered companies to take a share in the reasonably lucrative market which has, until recently, been dominated by foreign companies, a Tourism Development Unit spokesman says.

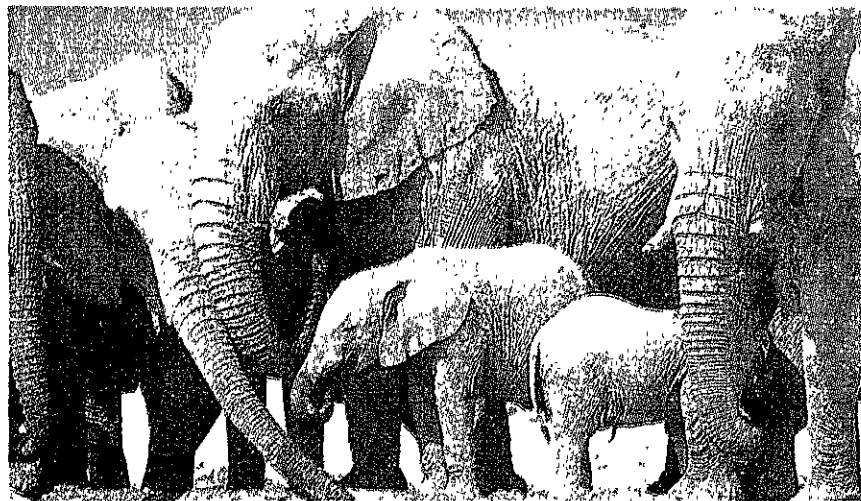
Now much needed revenue will be kept in Botswana, she said.

Tourism is one of the few industries in the country which remains labour intensive and should be cultivated and encouraged, the government believes.

The White Paper states that the economic benefits of tourism are far from being realised and only a carefully considered strategy will change this.

The industry will also be regulated to ensure all operators conform to specific standards, almost guaranteeing high quality.

For tour operators, the most important impact the White Paper would have is upgrading of infrastructure.



Wildlife could lose in the competition for water.

BOTSWANA

# Time to play the tourism card

12  
FM 31/7/92

With demand for diamonds severely depressed, and cattle ranching crippled by the drought, Botswana is looking to tourism as a growth sector for its remarkably successful economy.

The country's national parks and game reserves — comprising 17% of its land area — are among the most pristine and well-managed in Africa, but efforts to market Botswana as a tourist destination have been minimal.

Even under the government's policy of high-value, low-density tourism, aimed at protecting the sensitive ecology of the Okavango delta and other areas, there is considerable capacity for more visitors.

Tourism provides about 5 000 formal jobs and contributes only 2,5% to GDP, compared with 40% from mining and minerals, 6% from agriculture and 5% from manufacturing. But there is a new awareness in government circles of tourism's potential to keep Botswana's economy growing. It is underscored by preparations for the country's second annual international tourism exposition, the *Kgotla* (gathering), in Gaborone on October 22-24.

The *Kgotla*'s organiser, the Hotel & Tourism Association of Botswana, says last year's expo introduced Botswana to the international trade and positioned the country within the region. This year's show will see a major effort to capitalise on the renewed overseas interest in southern Africa as a long-haul holiday destination.

Key delegates will be travel agents and tour operators from Europe, North America and the Far East looking for untapped destinations for demanding tourists. Exhibitors will be mainly safari, hotel and tourism companies based in the region.

Only 20% of Botswana's tourists now come from Europe but they contribute 80% of the tourism revenue and will continue to be targeted as the primary market. SA is not

regarded as a market that needs to be specifically targeted. Most SA tourists to Botswana tend to travel independently.

Botswana also tends to benefit from the overflow of overseas tourists to SA, who often extend their visits in the region by including attractions such as Victoria Falls in Zimbabwe and Chobe game reserve in north-eastern Botswana.

"The importance of tourism to Botswana cannot be over-emphasised," says Commerce & Industry Minister Ponatshego Ke-

sane international airport, the upgrading of Maun airport, and the construction of tarred roads to prime tourist areas such as Chobe and Maun, on the fringe of the Okavango. The Trans-Kalahari highway, now under construction, will open up Botswana's largely unexplored south-west to "the more adventurous, daring tourist," Kedikilwe says.

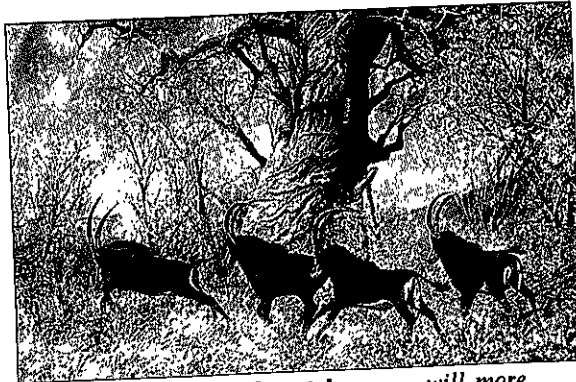
Apart from providing infrastructure, he says government's role is to monitor tourism development in the light of the country's fragile ecology. "Private-sector operations can effectively take place within an atmosphere of government regulation in order to ensure expansion of tourism on a sustainable basis in the long term."

The private sector has stepped up its tourism investment in response to international recognition of the region as an important destination. Sun International's Gaborone Sun & Casino Hotel (previously a Holiday Inn) has been extensively refurbished and upgraded, and Sheraton entered the top end of the tourist and business traveller market two years ago with the opening of the

Sheraton Gaborone Hotel & Towers on the city's western edge.

A R40m luxury hotel, the Mowana Safari Lodge, is under construction by the Zimbabwe-based Cresta group at Kasane on the banks of the Chobe River. The first phase is due to open by the end of the year.

Cresta group marketing manager Petronella Matumo says the aim is to establish the lodge as a base from which tourists can explore attractions in the area such as the Chobe reserve and Victoria Falls. Until now, tourists have tended to stay in hotels at the falls (about 70 km away) and travel to Botswana for day trips. Cresta hopes to reverse that pattern.



Baobabs and sable antelopes ... will more tourists follow?

dikilwe. "It provides the country with a steady source of foreign exchange that, unlike our beef industry, is not affected by drought. It also stimulates rural employment, which improves the economic well being of our rural population and it does not deplete our limited natural resources."

He stresses, however, that the influx of tourists must match the country's carrying capacity and complement its conservation efforts to prevent wilderness areas from being "trampled by masses of uncontrolled tourists."

Government's effort to boost tourism is reflected in its significant infrastructural investment, including the recently opened Ka-

12  
5/1/92

Handwritten notes and numbers at the bottom of the page, including "4", "2", "be", "16", "11", "be", "13", "be", "12".

# Pity about the bad timing, eh

STAR 18/8/92

## Out of Africa

GERALD L'ANGE



IT LOOKS as though the Namibian government is beginning to wish it had never bought that darned executive jet. It's not the purchase of the thing itself that is bothering them so much as the timing of it. If ever timing was lousy, this was.

Just when they had to put out the begging bowl for drought relief, along came the Falcon 900B they had ordered a while back from Dassault in France. And now it sits out on the tarmac at Eros airport, as conspicuous as a Rolls Royce in a refugee camp. They might as well put the R75-million price tag on the tail for all to see — along with the Namibian flag that was painted on back-to-front.

The relevant officialdom was probably expecting the issue to be seized on by the Windhoek press, despite official insistence that the plane was not really intended for the exclusive use of President Sam Nujoma but would be shared by the whole government. It came as a bit of a shock, though, when foreign governments began to get in on the act and have second thoughts about contributing to Namibian drought relief when Windhoek was spending more on its new toy than the R22 million it was seeking in aid.

Information Minister Hidipo Hamutenya called a news conference to explain the Falcon had been ordered from Dassault a while back and by the time the severity of the drought became apparent it was too late to cancel the order.

He conceded the government might have made a mistake. But what he could not understand was why Namibia should get clobbered for buying an executive jet when the Botswana government, which has also just bought one — and a more expensive one, at that, he said — seemed to be getting off scot free.

He could be a little premature in that. Wait till the energetic Botswana newspapers get working on their government's jet. The 12-seater Gulfstream 4 flew into Gaborone from Atlanta, Georgia, three weeks ago but hardly anyone noticed. The government kept

very quiet about it.

Normally when something as prestigious as a presidential jet is bought by a Third World government it is presented before its owners, the taxpayers, with much fanfare. But the Botswana government, possibly sensing the growing rumbles about its neighbour's acquisition, hustled the Gulfstream straight into an air force hangar and kept it there until Friday morning, when it made an unannounced flight over the capital — and hardly anyone knew it had happened.

The Gaborone government is also refusing to say what the Gulfstream cost. However, it might now be forced to come clean in response to Mr. Hamutenya's claim, for the Gaborone grapevine says Windhoek's plane is actually much more expensive: at R75 million against a rumoured R27 million for the Gulfstream.

And R75 million may have been a bargain price, for gossip in Windhoek is that the Falcon was a kind of demo model, with a few hours of flying time on the clock when it passed into the Namibian government's hands.

The Windhoek government was unable to keep the arrival of the Falcon secret — assuming it was trying to do so, that is — because there was no hangar at Eros big enough and they had to park it in the open. I understand that an old SAAF hangar at Grootfontein is being dismantled and will be rebuilt at Eros for the Falcon. Only then, methinks, will Windhoekers have some justification for calling Eros airport Falconcrest, as they have lately been doing.

It was the lack of a hangar that revealed the back-to-front flag. Now it is too late to avoid the inevitable jokes about either the plane or its owners, or both, being able to fly backwards. □

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# Jailed BCM men lodge appeal

■ Sent to prison for five years for possession of arms:

12

By Monk Nkomo

EIGHT members of the Black Consciousness Movement who were recently jailed in Botswana for being in possession of arms have appealed against their conviction and sentence.

The eight, who were each sentenced to five years' imprisonment by Mr Justice Gyeke Dako in the Lobatse High Court on June 26 this year, are Harrison Phiri, Louis Koalane, Nick Bell, Vusimuzi Thabethe, Welcome Rapodile, Robert Ndebele, Vuyo Matsinya and Plaatjie Mashigo. They were found to have been in possession of Luger and Scorpion pistols and 20 rounds of ammunition

for both pistols, all of which were declared arms of war in Botswana. Pretoria-based attorney Mr Cyril Morolo yesterday confirmed they had already filed the appeal in the Lobatse High Court.

According to court papers, lawyers representing the eight men had indicated that they would challenge the judge's findings that the State had proved its case beyond reasonable doubt. The defence had also indicated that they would submit that the judge had misdirected himself in failing to take into account the corroborating evidence of all the eight men.

"On these grounds, the appellants should have been acquitted," defence lawyers said. No date was set for the hearing.

# A woman's place is at the centre of a storm

BY BOEBIE JO KELSO

BOTSWANA'S Court of Appeal recently made a landmark ruling in favour of women's rights, but whether the decision will ever become a reality remains in question.

The ruling declared Botswana's 1984 Citizenship Act unconstitutional on the grounds that it discriminates against a married woman in determining her children's citizenship by that of her husband. In short, it found sex-based discrimination unconstitutional.

But President Sir Ketumile Masire has told the media that he still sees "nothing wrong with the Act". Other officials, including MPs, have remained silent on the issue.

The court ruling will have little impact unless parliament revises the Act — and few Botswana citizens, both men and women, would support such a move, according to a country-wide government survey.

The case, both in and out of court, has become a heated battle of modern values versus tradition. At the centre of the storm is Unity Dow, an attorney fighting for her two children to gain her Botswana citizenship, rather than that of their American father.

Dow contended that the Act violates her fundamental rights and freedoms as a mother. Her Botswana-born children, aged five and seven, are considered aliens and can be deported if officials choose not to renew their father's residency permit.

Attorney General Ian Kirby argued that the constitution's authors intended to allow sexual discrimination to preserve male domination. He submitted a list of 26 Botswana laws that discriminate against women and preserve the patriarchal society.

The Court of Appeal rejected Kirby's argument by noting that Botswana had signed and ratified the

WJ/KS 14/8 - 20/8/92

African Charter on Human and Peoples' Rights, which expressly prohibits sex-based discrimination, and that if the constitution meant to allow sexual discrimination it would have expressly said so.

One of the five judges presiding lashed out at Kirby's presentation of Botswana's other discriminatory legislation. Said Judge TA Aguda: "All the arguments founded on this are not only irrelevant, but they probably call for further scrutiny by the legislature."

A women's rights group called Ehang Basadi is preparing a campaign to force the legislature to do just that. First, however, the group hopes to convince parliament to act on the volatile citizenship ruling.

"Democracy is one of the things that gives this country its reputation and keeps it going," says the group's leader, Ntombi Seishwaelo. "If women are louder than they have been, they can't

be ignored."

Seishwaelo admits the task won't be easy, even with the court ruling in hand. There is already some public discussion of a referendum to change the constitution, rather than to revise the law in line with the ruling. Tradition-steeped women publicly castigate Dow and other urban, educated women as troublemakers.

It's a view most MPs probably share. Legal analyst Bojosi Othogile, of the University of Botswana's Law Department, points out that the ruling may never be enforced because the constitution lacks a provision to make it the supreme law.

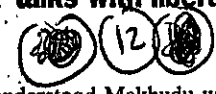
"It is perfectly legitimate for the government to pass a law reversing the court decision — and this time they will make sure they leave no doubt in the court's mind of a woman's role in society," he says.

# Church to mediate talks

Sowetan 20/8/92

**By Themba Molefe**  
Political Reporter

■ **Botswana bishop agrees to broker talks with liberation movements outside South Africa:**



A WORLD Council of Churches leader and head of the Anglican church in Africa is to act as negotiations broker between the Black Consciousness Movement and the Government.

Sowetan can today reveal that Archbishop Khotso Walter Makhudu of Botswana will chair the first meeting of the Government and joint Black Consciousness Movement of Azania and the Azanian Peoples Organisation.

The meeting to explore full fledged negotiations between major liberation movements on one side of the table, and the Government on the other, will be held outside the country and indications

are that it could be within a month.

Azapo is to announce today details of the behind-the-scenes activities to bring the "alternative negotiating forum" about.

The talks will be a sequel to a process started by the Government in February this year when an official of the Ministry of Constitutional Development and Planning, Mr Maritz Spaarwater, made overtures to Azapo.

Several meetings were held between Azapo officials and the Ministry during which agreement was reached about a neutral convener and an external venue.

It is understood Makhudu was approached by the BCMA, and after he accepted, the ministry officials indicated that they too accepted his credentials.

Makhudu is a member of the WCC presidium, president of the All Africa Church Conference and head of the Anglican Central African Province.

It is strongly believed Zimbabwe will be the likely host.

This development follows agreement between the Government and the Pan Africanist Congress on Tuesday on a future constitution-making body or constituent assembly.

# Protests after 2 acquitted

## ■ Student from Botswana shot dead during street clash:

*Swetem 27/8/92*

**MBABANE** - A storm of protest is sweeping Swaziland following the acquittal on Tuesday of two men accused of shooting dead a visiting Botswana student.

Protests were received by local newspapers from Botswana as news of the acquittal circulated, and there have been demands for a retrial.

The prosecution in the murder trial said two students from Lesotho who were vital eyewitnesses to the shooting had refused to travel to Swaziland to give evidence.

Timothy Tema, a South African, and Ralph Thring, a Swazi, both of Manzini, were charged with the murder of Mr Setamiso Kgobo, a Botswana student visiting the University of Swaziland for an athletics meeting in February.

The prosecution alleged the shooting followed clashes with Botswana and Sotho students.



# Don't sue us, pleads Masire

By BOBBIE JO KELSO

(12) BOTSWANA'S president is pleading with the nation's former vice-president and agricultural minister to drop their lawsuit against the state aimed at nullifying a government report linking the duo to corrupt land deals.

President Ketumile Masire's action represents a last-ditch effort to quell in-fighting in the ruling party. The report's March release tarnished the image of the Botswana Democratic Party and led to the resignations of Vice-President Peter Mmusi and Agriculture Minister Daniel Kwelagobe.

The party's central committee suspended Mmusi as chairman and Kwelagobe as secretary general because of their lawsuit filed on May 29. But the suspensions compounded the rift. The two men retain parliamentary seats and enjoy support from members who say the two have the right to sue the government without repercussions. Others are bidding to supplant the duo.

Despite Masire's efforts to get Mmusi and Kwelagobe to withdraw their case, the two continue to publicly proclaim their

innocence.

Masire and top BDP officials had consistently denied rumours of factionalism. Masire's current words, however, suggest otherwise. Unity is critical for his party in the face of increasing public discontent.

The BDP's ruling status is unlikely to be at stake: it holds all but three parliamentary seats. But a protracted court battle could lead to damaging mud-slinging and give opposition parties enough support to expand their stronghold among urban voters.

The main opposition party, the Botswana National Front, claims the report unveiled only a tiny fraction of rampant corruption in government.

The report of the appointed Kgabo Land Commission linked a number of public servants to corruption in Mogoditshane, a village near Gaborone. It revealed that at least 840 plots of land were illegally acquired.

The report revealed Mmusi twice ordered the local land board to overturn its decisions, one of which denied Kwelagobe's bid for land already earmarked by the board for development. Mmusi then

reversed the rejection of Kwelagobe's plan to develop the land commercially.

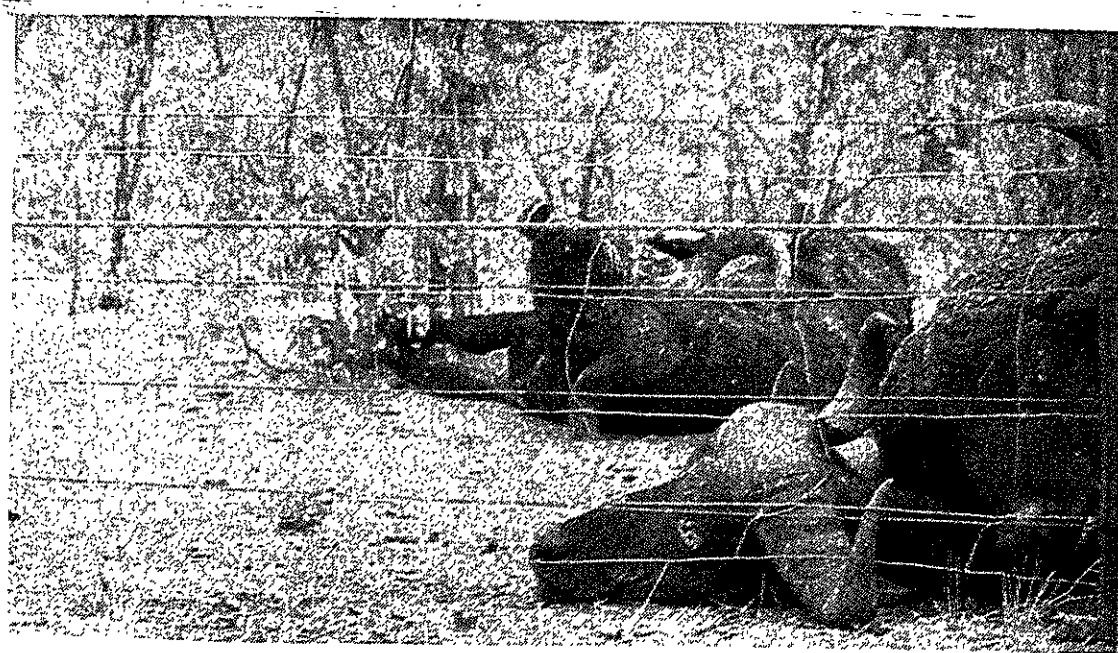
Squelching the lawsuit wouldn't ease Masire's political headaches. Other allegations of wrongdoing by top party members remain in the public spotlight.

Exposure of corruption in the Botswana Housing Corporation has also rocked the government. Among the disclosures are that Michael Tshipinare, assistant minister of local government, lands and housing, accepted a 500 000 pula bribe from a firm that won a 50-million pula contract to build the corporation's new headquarters.

Tshipinare, then the secretary general of the BDP youth wing, contends the money was a "loan" and that he owns shares in the company, Spectra Botswana. He has, however, since resigned from his government post, citing a "conflict of interests".

He also lost his party position last month in an electoral defeat, but Tshipinare's successor faces allegations of impropriety. The new BDP official owns a block of flats now under investigation by police in a probe of the corporation. Other politicians are believed to be under investigation as well.

Wmail 21/8 - 27/8/92



Fence of death ... For the sake of beef, the buffalo must die

# Cow power confronts Botswana buffalo barrier

**P**LANS to complete a buffalo fence around Africa's last great wilderness, the Okavango Delta in Botswana, have caused a storm of protest from environmentalists and local tribes who cannot agree on its siting.

At issue is the Okavango Delta itself — 15 000sq km of unique wetland and the world's largest inland waterway. The area supports a greater diversity of animals than virtually anywhere else on earth due to the concentration of habitats ranging from Kalahari sands, lagoons, forest and scrub, flood-plain and reed-bed. Seasonal flooding further complicates the delta, resulting in a constant movement of species.

The fence, five strands of wire and one line of steel cable capable of withstanding a lateral impact of 25 tons, loops around the delta to the south and aims to close in the top before swinging on a meandering course up to Botswana's northern border.

Its ostensible purpose is to prevent contact between the foot-and-mouth-carrying buffalo of the delta and Botswana's three million cattle. But its opponents see many other reasons for its construction.

The installation of the first stage of the 226km northern buffalo fence has been the issue which has most bitterly divided environmentalists, big game hunters, locals and the Botswanan government, oddly provoking accord in some cases between totally opposed groups over the dismantling of the 1.3m-high fence.

The depth of passion is due to cattle. Botswana is cattle country and "buffalo fence" is a misnomer for cattle fence. With the country's cattle population at the limit of the land's capability to support it, the pressure on the delta as a wildlife and water resource is immense. In Botswana, cows are status. "They are money in the bank as far as the Botswanans are concerned," said Seeiso Liphuko, Botswana's Secretary of Natural Resources.

Some 684 000 of Botswana's 1.5-million people are involved with cattle and a further 456 000 want to be. The result of such belief in cattle in Africa's most stable democracy is that cow power is an enormous political problem. It is also one that could be considerably amplified in the event of a drought, according to Rick Lomba, the most vocal critic of Botswana's conservation policy and its plans for the delta.

Pressure on the government to open up the Okavango is growing because, ironically, the delta, whose headwaters are in Angola, where rains have been good, is at its highest level for 20 years. This has resulted in a 1.5km wide natural barrier to the cattle at a time when the rest of southern Africa is suffering a disastrous drought that is decimating Botswana's population in the south.

A United States citizen living in South Africa, filmmaker and conservationist, Lomba is a one-man crusade who lobbies the US Senate and the European Community with his claims that Botswana intends to turn the delta into a giant zoo to the advantage of the cattle and the detriment of the wildlife.

Lomba and his supporters, who maintain that the fence is ineffective because of the difficulty of maintaining it in swamp and the problems of joining a section that runs through perennial marsh, want it removed while an independent Environmental Impact Assessment is carried out into its effect on wildlife.

The reception of Lomba's views in Brussels and Washington has been sufficiently sympathetic to prompt the Botswanan government to finance a fact-finding team

*In an area of semi-arid grazing susceptible to drought, the vast water resources pouring into the Okavango Delta have long been a source of dispute between cattle and wildlife. PETER WARREN reports*

to question its siting and Lomba's claims that it prevents migration of wildlife and the traditional use of parts of the delta by hunter-gatherers.

The real bone of contention lies in the Selinda Valley. Inhabitants of the rapidly growing villages of Beetsha and Seronga, which lie 40km outside the fenced delta, claim that they are being denied access to traditional grazing enjoyed before the advent of the tsetse fly. Safari organisers and conservationists claim that an area of great importance to the ecology of the delta is being threatened. Conspiracy theorists claim that is all a plot to provide cattle with access to 1 800sq km of land to the east of the Okavango River, giving commercial owners plentiful grazing along the banks and access to water.

As a result, the fence has been given as many proposed routes as the Channel Tunnel rail link between Dover and London, with conservationists arguing for a more northerly line, cattle farmers arguing for its siting further south and Lloyd Wilmot of the local safari lobby arguing for it to include the whole Selinda Valley to protect the river from over-grazing.

Cattle can only travel a maximum of 12km from a water source and their wide mouths consume vegetation that can support a great diversity of wildlife.

Environmentalists accept that, with a projected explosion in human population, demands on land will increase. What is not accepted is the government's interpretation of where these various interests can be separated.

According to the people of Seronga, they were consulted on the placing of the fence and then their views were ignored by the government. "Visit the fence and you'll see destruction of giraffe and animals of all sorts," said one man, echoing the claims that the fence is interfering with wildlife migration routes that the Wildlife Department states do not exist.

Though Seronga's villagers claimed to understand the compromise and the need to conserve wildlife, they also hinted at the political questions that lurk behind the issue of the fence. "Because of our democratic tradition we think it should be a decision of the majority that decides where this fence goes," said the local councillor.

At Beetsha, views on the fence are more forthright. An area which had reverted to hunter-gathering after the expansion of the tsetse fly, it was now participating in the cattle invasion which had pushed numbers from 3 000 to 15 000 in less than a year.

"We have been oppressed by the government in the siting of this fence. Most of the food that we gather is beyond the fence, so it is preventing us getting to it," claimed one resident, stating one of the chief criticisms of the Tshomarelo Okavango Conservation Trust: that fences create boundaries for people as well as animals.

But another resident, who admitted that he was a big cattle owner, stated the future pressures on the fence more clearly. "I'm worried that the grazing land will decrease. We are not against wildlife, but what we are saying is give cattle a fair chance in the grazing area. If you remove cattle, then you kill this tribe." — The Guardian

w/m ad 1119 - 17/9/92 (12)

## Botswana govt 'should come to industry's aid'

(107) 13/10/92  
GABORONE — A prominent business leader in Botswana has called on the government to help industries weather the current economic downturn. (12)

"Our economy is ailing at present and government has the power to do things that matter," Botswana Chamber of Commerce, Industry and Manpower president G-Kgoroba said at a conference. "If government bails out farmers during this period of drought, business as the main employer needs it more."

Kgoroba said 5 000 to 6 000 people had been laid off since the beginning of the year and 2 500 more were facing the same fate.

He said the construction and textile sectors had been worst hit by the slowdown in the economy.

While construction was expected to pick up once the Botswana Housing Corporation, currently under investigation for alleged corrupt practices, resumed full activity, textiles were under severe pressure from a dismal market in Zimbabwe because of the country's structural adjustment programme and the devaluation of the Zimbabwean dollar.

"Exports to Zimbabwe are dead and the sooner we realise this the better; and SA is a difficult market," said MD of Lonrho in Botswana Tony Jordan. — Reuter.

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AFI



A police van speeds through Luanda carrying Unita supporters who were exchanged for 12 policemen taken hostage by the rebel movement at the weekend. Picture: AP

INTERN

INTERIM REPORT

GROUP INCOME STATEMENT



and more than one service provider at the infrastructure investment shared.

borders and use their units. Rather, they wanted basic services so they could communicate.

# A showcase for Botswana

THE growing needs of computer and information technology users in Botswana are being cited as a major drawcard by SA and international companies exhibiting at the AITEC Southern African Computer and Communications Expo in Gaborone from today until Saturday.

Electronic Power Services MD Andrew Ingram says the company has identified Botswana as a significant market for its equipment. Because the country boasted a stable and fast-growing economy, computerisation had "taken off in recent years".

CAD specialist group Afracad says there is a good potential for its range of products and services in Botswana and other African countries. With the fast-growing infrastructural development taking place in Botswana, Afracad is keen to provide solutions for design and draughting software used widely to design municipal roads, water supply and stormwater drainage.

The company provides turnkey solutions for all CAD applications and also supplies presentation graphics solutions for 2D and 3D desktop animation and speaker support material.

Krone SA GM Richard Worth says his

company sees the show as an ideal venue to promote sales and marketing efforts in sub-Saharan Africa.

"Historically, this function was handled by Krone Germany, but with changes in SA and increasing interest in our products from further afield, we're excited about the Botswana show," he says.

Q-Data (Botswana) Management Consultants has its own staff as well as access to the skill resources of shareholders Comcon-CSG in SA and Asab Data, which is Namibia's largest management consulting group for computer software development and information systems consulting.

Group products widely used in Botswana include QPAC payroll, Oracle and Informix database management systems.

An important attraction for exhibitors is the fact that the AITEC show is running concurrently with the annual regional telecommunications conference being hosted by the Botswana Telecommunications Corporation, itself an exhibitor.

Up to 100 presenters and participants are involved in the conference, including representatives of the International Telecommunications Union, OAU and SADCO.

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# Mandela waits as Nujoma basks

Sowetan 16/10/92.

■ 'There was some inconvenience,' says airport official

## Sowetan Africa News Service

**GABORONE** - A Comair flight from Johannesburg with ANC leader Mr Nelson Mandela on board was made to wait for more than half an hour at the far end of the Gaborone Airport yesterday while Namibian President Sam Nujoma was given a red-carpet welcome opposite the terminal building.

Sources said the passengers from Johannesburg were kept waiting for 35 minutes in their plane as Nujoma alighted from his new executive jet, inspected a guard of honour and stood to attention on a podium as a band played the Namibian anthem.

Only after he had been whisked away in a limousine, the red carpet rolled up, the podium removed and the band and guard of

honour had marched away was the Comair plane allowed to taxi up to the terminal and disembark Mandela and his fellow passengers. Some of them are said to have been furious - but Mandela's reaction is unknown.

A Gaborone airport official said: "Yes, there was some inconvenience to Nelson when Sam arrived."

Comair confirmed that its plane had been held up for 35 minutes but gave no other details of the incident.

Both Nujoma and Mandela are in Gaborone to attend a meeting of the Organisation of African Unity's Ad Hoc Committee on Southern Africa, which is being attended by several other heads of state. The OAU committee was meeting to discuss the situation in South Africa and Angola.

## INFORMATION TECHNOLOGY

### Sales difficult to predict, says report

A NEW report from US-based Salomon Brothers confirms the difficulty of predicting performance of PC sales. Advising shareholders to buy Compaq shares, the report said although earnings were expected to improve over the next two to three quarters, after that the industry environment "remains the wild card".

While they were continuing to track the industry closely, the analysts said the "tone will remain fluid and tumultuous."

"We believe that the industry is only at the beginning of a consolidation phase, pointing to a several-year cycle which suggests that investors in PC stocks should remain nimble and flexible." *BIDM 22/10/92*

The report said Compaq would emerge as one of the few leaders, but getting there or staying there could be difficult.

On Tuesday, Compaq reported record sales for its third quarter ending September 30. At \$1,067bn, sales were 50% above those for the same quarter last year.

Net income was \$49m compared with a net loss of \$70m in the same quarter in 1991.

The company shipped more than 200 000 PCs in September alone, and entered the fourth quarter with a sizeable backlog.

Areas where sales were particularly strong included North America and Europe, the latter despite some expectations of economic slowdown in European markets.

Compaq president and CEO Eckhard Pfeiffer said sales to SA in the third quarter had increased eightfold compared with the same period last year, and September unit shipments had been 11 times higher than in September 1991.

"Compaq believes it can hold a leading market position in SA, similar to the one we have in Europe and the US," he said.

## TECHNOLOGY

### SA companies out in force at Botswana expo

*BIDM 22/10/92*  
IN A BID to increase regional export revenues, SA companies came out in force at the Aitec South computer and communications exposition last week in Gaborone.

Companies with SA affiliations at the show included Knowledge Systems Botswana with Oracle relational database management software, and Q Data Botswana. Both recently formed, they said their main objective was to reinforce their presence in the market.

Q Data Botswana's director Howard Musonko said his company was already handling a major system for Botswana's water utilities, and a number of new projects were being motivated within the government sector.

Like it is doing worldwide, Siemens (Botswana) was promoting the Global Systems Mobile cellular telecommunications network. Technical manager Paul McKibbin said a pan sub-saharan African system was the aim.

The company also showed its optical fibre distributed concentrator, designed in SA for rural applications.

Botswana seemed keen to install a cellular network, with the contention being whether it should install analogue or digital-based systems, said McKibbin.

He contended that analogue systems were susceptible to being outdated.

Cellstar MD Ian Fairman was promoting analogue cellular systems, saying these were more appropriate for providing low-cost telecommunications systems.

Also eyeing the African market was US-

-based Nynex/dp, which designs software to handle telecommunications systems. The company owns the New York Telephone Company, and has its systems running exchanges in about 300 countries from Mexico to the UK and Gibraltar.

International sales manager Angelo Sanchez said Africa was ideally placed to leapfrog more established technologies and install the latest systems available.

The company has chosen IBM vendor in Botswana Business Computers to sell and support its products, as the software runs on IBM AS/400 hardware.

He was hopeful that Nynex would win a R3m order for the software in Botswana, but local sources said other Botswana-based companies were better placed to win the tender which would be adjudicated before year-end.

New developments at the show included the recent decision by SA-based HiPerformance Systems to select Century Office Supplies to distribute its HP printers and peripherals.

Century's M R Narayan said his company was on the look out for distributorships. Computers Botswana, on the other hand, landed the Panasonic distributorship a week before the show.

SA-based Futurus Computer MD Bert Oosthuizen said his company was negotiating for an agent in Botswana. Pink Software's Michael Tatalas was also on the lookout for a local distributor, saying that as the market for PCs in Botswana grew, so did that for low-cost software products

Firms unite to standardise

FM 23/10/92

(12)

CURRENT AFFAIRS

BOTSWANA INQUIRY (12)

## Probing contracts

23/10/92

**Dealings of** a financial nature between a SA construction company with links to the Premier Group and the Botswana Housing Corporation (BHC) are part of a secret inquiry ordered by Botswana president, Sir Ketumela Masire, into contracts awarded by the BHC. This follows the death in April of former BHC general manager Joe Letsholo in a car crash after which police found a substantial amount of cash in Letsholo's wrecked vehicle.

Botswana police investigating Letsholo's death also found 200 000 pula in a safe in his house. Acting BHC GM Murray Busang confirmed to the *FM* that an inquiry "to look at all previous dubious contracts awarded by the BHC management" is taking place. Busang also confirmed that the full board of the BHC has since been dismissed and a new board appointed. Among those axed are

BHC assistant manager Francis Rabana, development manager Ray Sergeant and financial manager Keith Collier.

Busang says certain aspects of contracts which had been awarded to the Spectra Botswana and Wade Adams construction companies will be investigated. And according to unconfirmed reports, an employee of a Chinese construction company has been arrested.

Meanwhile, Wade Adams MD John Petzas has resigned from the company. The Cyprus-based company has also retained the legal services of a senior SA advocate to represent its interests.

One of Spectra Botswana's SA shareholders, Lev Davidov, told the *FM* that his company is represented by the Johannesburg-based Werksmans group of attorneys. Davidov said a financial settlement with the BHC is being negotiated.

Davidov and his SA business associate, Arthur Goldman, through their SA company, Spectra Trading, own two-thirds of Spectra Botswana. The other third of the shares is held by a former assistant Minister of Local Government in Botswana, Michael Tshipinare. The majority of shares in Spectra Trading is held by the Premier Group.

Tshipinare's fall from grace in Masire's government was caused by a P500 000 loan which Davidov and Goldman had agreed to make to the former assistant Minister. Ac-

ording to Davidov, the loan was paid over to Tshipinare through the Johannesburg offices of accountants Kessel Feinstein. "Tshipinare had been experiencing financial problems due to the drought at his farm and he asked us for a loan to get him out of trouble," says Davidov. "We tried to assist him. It was agreed that he would repay the loan with the profits he made from his shareholding in Spectra Botswana."

One of the construction contracts awarded to Spectra Botswana was for the erection of new headquarters for the BHC. Work on the project, which is sometimes referred to as the "big hole" because of its state of incompletion, has since been cancelled by government.

The commission of inquiry will also investigate a P131m contract awarded to Wade Adams for a housing development outside Gaborone. Though the contract had been awarded through the Botswana tender board for a fixed price, it is understood that an extension to the contract — without further tender — for another P60m was awarded to Wade Adams. Escalation costs of P30m for the initial contract are also alleged to have been negotiated between the company and the BHC.

Busang said certain adjustments to the Wade Adams contract had been made and that approximately P21m will be subtracted from the contract price as settlement. ■



# Botswana revamps exchange controls

*B100M 12/11/92*  
**GABORONE** — The Bank of Botswana says the government has approved changes in exchange control policy and regulations governing internal portfolio investment and local borrowing by nonresident-controlled companies.

"These changes are intended to facilitate development of the financial sector and the stock market, and to encourage much needed inward foreign investment into Botswana," the central bank said.

Nonresident-controlled companies incorporated in Botswana could now invest in the securities of companies quoted in the Botswana share market without financing such acquisitions with nonresident-source funds. The authorities had ensured local investors would not be crowded out.

The aggregate of inward and internal portfolio investments by nonresidents and nonresident-controlled companies could not exceed 49% of the "free stock", defined as total stock issued and paid up less stock held by direct investors.

Further, a nonresident or nonresident-controlled company could not hold more than 5% of the free stock of a company listed on the Botswana share market.

Because of the change, the eligibility of nonresident-controlled companies for local financial support would be determined by applying the 4:1 debt-to-equity limitation after deduction of internal portfolio investment holdings.

In addition, the limit for approvals by authorised dealers of the initial tranche of local financial support that could be afforded by residents to nonresident-controlled entities or unincorporated branches of nonresident-owned entities had been raised to 500 000 pula from 300 000.

The purpose for which local financial support might be used had also been extended to include working capital, construction of new plant and buildings, and purchase of machinery and equipment.

The use of local borrowing for acquisition of existing assets such as land, and the purchase of a going concern was not allowed, the central bank said. — Reuter.

## Court rejects Namibian sea boundary

**WINDHOEK** — The Windhoek High Court has upheld an objection to Namibia's northern sea boundary lodged by three Spanish trawlermen charged with illegal fishing in Namibian waters.

Fisheries authorities arrested the Spanish Xaitesino for trawling inside Namibia's 200-mile exclusive economic zone, south of Angolan waters, on July 30.

When the case opened on Monday, defence counsel Andries Blignaut SC questioned the legality of the sea border.

He said, according to news reports, that

neither a technical committee of the Namibian cabinet nor the cabinet itself had the authority to determine the northern sea border of the exclusive economic zone. He argued that the border determined by cabinet or a technical committee had never been promulgated.

Judge T Frank ruled on Tuesday, after argument, that the boundary line drawn on a map handed in to court had no legality.

The State was given until today to amend the charge sheet. — Sapa.

## Disabled rob food trucks

**CHIMOIO** — They are called "mutilados" — disabled veterans armed with huge rocks who sometimes block the Beira Corridor to rob food relief trucks.

Feeling abandoned by the Mozambican government, they do not pay much attention to a fragile ceasefire between the government and Renamo.

The periodic looting on the Beira Corridor illustrates Mozambique's shaky security conditions and mounting tension despite the October 4 ceasefire agreement.

Security in the corridor is likely to deteriorate even further this month when Zimbabwe withdraws its troops.

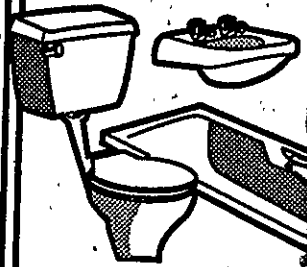
Drought-stricken central Mozambique depends on the corridor for food deliveries, as does Zimbabwe. Each week about 20 000 tons of food passes through the central provincial capital of Chimoio.

The mutilados are mostly demobilised government soldiers who believe officers stole their disability pensions to buy into the transport businesses that have proliferated since improvements to the Beira Corridor by Western donors.

Zimbabwe is to withdraw its last 5 000 troops from Mozambique by Sunday. After that, police and army units will be left to patrol the Beira Corridor under the supervision of six unarmed UN observers. — Sapa-AP.

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# BCMA five set free

*Suefa 3/12/92* **A movement spokesman says members face deportation:**

FIVE members of the Black Consciousness Movement of Azania (BCMA) who were serving five-year sentences in Botswana were acquitted by an appeal court on Tuesday.

But the joy of release was short-lived as police immediately arrested them. They will be deported, according to a senior official of the BCMA in Botswana.

Vusimuzi Thabatha, Welcome Rapodile, Robert Ndebele, Vuyo Matsinya and Plaatjie Mashego were sentenced in June this year for possession of arms of war.

They were part of a group of 11 BCMA and Azanian National Liberation Army (Azania) cadres who included the BCMA's

secretary for defence, Mr Nkutseou Motsau, who were arrested by Botswana police outside Lobatse at an alleged training camp.

Motsau and two others were acquitted in June while the remaining eight were sentenced. During Tuesday's appeal, Botswana Judge President Amisah, with judges Agudar and Shriner concurring, acquitted the five but confirmed the sentences of the other three.

Botswana's chief immigration officer, Mr Maithloko Mooka, said yesterday his department did not intend deporting the five as they were no longer prohibited immigrants.

# Shootout in island dispute

WINDHOEK. Generally good relations between Namibia and Botswana have been soured because of an ongoing dispute over two islands.

The two countries traded shots this week at a remote river that serves as their border.

Namibia said four Botswana soldiers were killed. However, Botswana said there were no casualties in Wednesday's incident.

The Botswana president's office confirmed on Thursday that there were three shooting incidents on the border between Botswana and Namibia on the Chobe River on Wednesday.

The shootings occurred in an area near the disputed Sedudu island, a 3.5/km piece of land in the middle of the Chobe River in northern Botswana. Both countries claimed the island as their territory. They made similar claims over Kasikili island.

The Namibian Commissioner of Police in the Caprivi, Pius Kaunda, said members of the force in western Caprivi were attacked by bazooka and automatic rifle

fire by members of the Botswana Defence Force. (12) (S)

Kaunda said a 14-man squad in a camp at Lizauli village about 150km south-west of Katima Mulilo came under fire from a BDF river boat on the Linyanti River and a foot patrol on the Botswana side of the river. *STimes: 6/12/92*

He said his men returned fire after their tents and equipment were hit and a police vehicle severely damaged.

The headman of Lizauli village, Thomas Mbengela, has asked for police reinforcements.

The latest shooting followed the shooting of a 7-year-old boy who was fishing on the Namibian side of the river in September last year.

The shooting was discussed with Namibian authorities. Namibia's president Sam Nujoma and Botswana's president Dr Quett Masire met in May and agreed to establish a joint technical team to determine the boundary. The team has yet to release any findings. — *Foreign Desk.*

# Deported BCMA 5 have 'vanished'

By Mathatha Tsedu

MYSTERY surrounds the deportation from Botswana yesterday of five cadres of the Black Consciousness Movement of Azania (BCMA) who were acquitted last week on charges of possession of arms of war.

While the Botswana chief immigration officer, Mr Maithloko Mooka, said his department had transported the five to the border at their own request, South African Home Affairs Department spokesman Mr Charles Theron said there

## ■ Freed by Botswana court on charges of possession of arms:

*Sowetan 8/12/92*  
was no record of the men's entry.

Fears are that the five, Mr Vusumuzi Thabatha, Mr Welcome Rapodile, Mr Robert Ndebele, Mr Vuyo Matsinya and Mr Plaatjie Mashego, may have been detained by the South African Police as they came through.

But a police spokesman in Zeerust yesterday said he could find no trace of any deportees arrested by the SAP.

Responding to questions of why the men were

(12) ~~BCMA~~ ~~BCMA~~  
deported to South Africa, Mooka said the men had requested to be allowed to return home.

The five were part of a group of 11 BCMA and Azanian National Liberation Army cadres who were arrested in Lobatse in 1990 while running an alleged training camp.

They were sentenced to five years imprisonment but were acquitted last Tuesday on appeal.

Only three of the original group remain in prison.

C

## Report links Premier to Botswana corruption

# SA firms in bribe row

Star 19/12/92

**A NUMBER of foreign businessmen are said to have fled Botswana, after an official commission of inquiry uncovered crooked dealings on a massive scale in the local construction industry.** (12)

**GABORONE** — South African and German companies were involved in a huge scam which saw the Botswana government lose an estimated 50 million pula (R70 million) over the past three years, according to a report released in Gaborone.

The report was produced by a presidential commission of inquiry headed by British lawyer Richard Christie, which was appointed in August this year to investigate the public housing corporation.

It says Botswana's public housing corporation and a government Minister were involved in an intricate web of corruption and embezzlement which saw millions of rands palmed off by South African companies Premier Group and Goldav Construction, and by German-based Prack Consult.

Former Assistant Minister of Local Government, Lands and Housing Michael Tshipinare received 500 000 pula (R700 000) and an unspecified amount of shares as bribes from a company called Spectra Botswana (SB), which was co-owned by the two South African companies, the report says.

Premier and Goldav were accused by the report of gross overcharging through Spectra, amounting to millions of pula, in a contract to build a 25 million pula (R33 million) headquarters for the Botswana parastatal.

A Goldav Construction official, Alex Goldman, transferred 2 million pula (R2,7 million) in initial payments to a Channel Islands bank without the knowledge of Premier or his partner, Lev Davidov, the report says.

### Fled the country

Another company, Wade Adams Botswana, was also accused of paying massive bribes to the parastatal's top executives. Its three top officials, including chief executive Ioannis Pestas, have fled the country. The commission says, and the company's construction of 900 houses has been suspended because some of them are falling apart.

Prack Consult's German owner Helmer Prack has fled to Germany, and refused to come back to Botswana to testify. "Mr Prack criminally transferred to Germany large amounts of money which he was not obliged to pay his German employees, so this money was at his disposal," says the report.

Presenting the report in parliament, Presidential Affairs and Public Administration Minister Lieutenant-General Mompoti Merhate said it outlined "gross mismanagement, utter negligence, unbridled greed and dishonesty" in the operations of the parastatal.

He said the authorities were investigating the possibility of criminal prosecution — but most of the individuals accused of criminal wrongdoing had fled the country. He also said administrative action would be taken against civil servants responsible for allowing the debacle to occur.

Last month Prack executives in Botswana pleaded guilty in court on behalf of the company to 10 counts of tax evasion but denied two counts of bribery. They await trial on those charges. Another nine construction executives and parastatal employees have also fled the country, the report says.

The report painstakingly details the seamy side of the construction industry in Botswana. There has been simmering anger all year among ordinary Botswanans over the allegations of corruption against those involved with the giant housing corporation.

### Loan provided

Davidov expressed surprise yesterday at the findings of the Botswana commission. He said Tshipinare was not the sort of person who could be bribed. But he confirmed the two South African firms had given him a loan.

He said his firm had not attempted to bribe or influence the Botswana assistant Minister to secure the contract for the building of the headquarters of the Botswana Housing Corporation.

Davidov said Goldav Construction owned 40 per cent and Premier 60 per cent of South African firm Spectra Trading which in turn owned two-thirds of SB. Tshipinare owned the remaining third.

Tshipinare had told the two South African firms he was in financial difficulty and the two companies consequently gave him an official loan as their partner.

Davidov said the loan was not a bribe nor an attempt to influence the Minister. He said the two South African firms knew that Tshipinare would be able to repay the loan from the profits SB would generate in the building of the Botswana parastatal's headquarters.

Premier Group chairman Peter Wrighton said yesterday he was studying the report and the group would comment later. — Sapa-AFP.

## NEWS IN BRIEF

### Premier inquiry

LAWYERS investigating a report that diversified food group Premier was involved in bribery of a Botswana minister to secure a R70m building contract are expected to release their findings early in January.

Premier CE Peter Wrighton said yesterday lawyers he had appointed to look into the report by a Botswana presidential commission of inquiry would brief him before January 8 1993.

Premier has an effective 40% holding in Spectra Botswana, one of the companies named in the report. Another SA firm, Goldav Construction, has a similar interest in SB while former Botswana government minister Michael Tshipinare owned one third.

BIDM 24/12/92

12

CORRUPTION FM

25/12/92

## Leaving town

(12)

SA and German companies were involved in a multimillion dollar scam which saw the Botswana government lose an estimated P50m over the past three years. This is the finding of a secret commission of inquiry ordered by Botswana President Ketumela Masire into a financial scandal involving the companies and the Botswana Housing Corp (BHC). The *FM* first reported on the inquiry two months ago (*Current Affairs* October 23).

According to the commission's report, the BHC and a government Minister were involved in an intricate web of corruption in which millions of dollars were siphoned off by Spectra Trading (of which the Premier Group is a majority shareholder), Goldav Construction and the German-based Prack Consult.

Former Assistant Minister of Local Government, Lands & Housing Michael Tshipinare had received P500 000 and an unspecified amount of shares as bribes from a company called Spectra Botswana, co-owned by the two SA companies.

Spectra and Goldav are accused by the report of gross overcharges, amounting to millions of pula, in a contract to build a P25m headquarters for the BHC. A Goldav Construction official, Alex Goldman, transferred P2m in initial payments to a Channel Islands bank without the knowledge of Premier or of his partner, Lev Davidov, according to the report.

Another company, Wade Adams Botswana, was also accused of paying massive bribes to the BHC's top executives.

Its three top officials, including CE Ioannis Pestas, have fled the country, the commission says, and the company's construction of 900 houses has been suspended because some of them are falling apart.

Prack Consult's German owner Helmer Prack has fled to Germany and refuses to return to Botswana to testify.

Presidential Affairs & Public Administration Minister Lieutenant-General Mompoti Merhabe said the report outlined "gross mismanagement, utter negligence, unbridled greed and dishonesty" in the operations of the BHC.

Masire appointed the commission, headed by British lawyer Richard Christie, in August.

The Botswana authorities were also investigating the possibility of criminal prosecution, but most of the individuals accused of wrongdoing have since fled the country. Administrative action could also be taken against civil servants responsible.

Meanwhile it is reported that the Premier Group has appointed lawyers to investigate

— continue —

## CURRENT AFFAIRS

FM 25/12/92

(12)

the allegations which linked it to the scandal. Premier CE Peter Wrighton said although his group is not directly involved he is extremely concerned about allegations of a scam. "I have appointed a team of senior lawyers to investigate and severe action will be taken if an impropriety is found," said Wrighton.

The *FM* reported that the first indication of corruption surfaced after the death in a car accident of former BHC GM Joe Letsholo in April.

Police investigating the accident found a substantial amount of cash in the wreck and afterwards, during a search of Letsholo's house, found P200 000 in a safe. ■

# Politician paid bribe of R675 000

Argus Africa  
News Service

Argus 29/12/92  
GABORONE — The commission of inquiry into the Botswana Housing Corporation (BHC) has found that a former deputy-minister of local government was given a R675 000 bribe to ensure that a contract would be awarded to Spectra Botswana, a construction company 40 per cent owned by South Africa's Premier Group.

A report by the commission says Mr Alex Goldmann, of Spectra, promised deputy minister Mr Michael Tshipinane the money if the contract for the BHC headquarters was awarded to his firm.

In a written statement, Premier chairman Mr Peter Wrighton said he had appointed a team of senior lawyers to investigate the issue and that "severe action will be taken if any impropriety is found".

He said that while the R675 000 payment "appears to be sinister", it was not necessarily so.



## Sticky fingers

(12)

**GABORONE** - The Commission of Inquiry into the Botswana Housing Corporation has found that a former deputy-minister of local government was given a R675 000 bribe to ensure that a contract would be awarded to Spectra Botswana, a construction company 40 percent owned by South Africa's Premier Group.

*Sowetan 30/12/92*

A report by the commission says that Alex Goldmann of Spectra promised the then deputy minister Michael Tshipinare the money on condition that the contract for the BHC headquarters be awarded to his company.

BOTSWANA - GENERAL

1993

Star 10/2/92  
**Botswana's  
(12)  
deficit soars**

By Derek James  
Star Africa Service

GABORONE — A record deficit was forecast by Finance Minister Festus Mogae when he presented Botswana's budget yesterday.

Mogae said that while the deficit for 1992-93 was P110-million, the expected budget deficit for 1993-94 could reach P567 million.

The main reasons were the recession in the diamond market and the severe drought in southern Africa.

The adverse economic climate was reducing revenue from the country's major sources — diamonds, copper, nickel and soda ash.

Mogae said Aids was a threat to economic development.

By the end of 1992 there were 439 cases in Botswana, 138 deaths and 2 816 carriers recorded.

"If the epidemic is not contained, the cost of treatment will outstrip available resources," he said.

# Recession catches up to drought-hit Botswana

THE Botswana stock market is expected to remain subdued this year after underperforming the inflation rate in 1992 for the first time since its inception in 1989, says Stockbrokers Botswana head Bill Picken.

Uncertainty in the diamond market and worries over the estimated budget deficit of 567-million pula would weigh on the market, he said.

The market index gained only about 1% last year and even if dividend-growth of 6% was added this

*6/10/93*  
**MERVYN HARRIS (12)**

was still well below the inflation rate of 16%, giving investors a negative return in real terms.

Turnover of shares of the 11 listed companies reached a record 31,86-million pula last year compared with 17,1-million pula in 1991 and 7,8-million pula in 1990.

Picken said the world recession eventually caught up with Botswana

*11/2/93*  
in 1992. The drought had resulted in an estimated loss of 1-million head of cattle worth 600-million pula.

"High interest rates and the electricity, water and telephone parastatals charging customers some of the highest prices in the world helped to slow down business and dampen investor confidence," he said.

Budget deficit problems would be exacerbated by government's decision to increase salaries of its employees by between 15% and 23%.

**'Cadre' to be deported**

**GABERONE** - AN alleged Azanian Peoples Liberation Army cadre, who was charged with possession of unlicensed firearms, is to be deported to Zimbabwe, instead of South Africa, the *Botswana Gazette* reported yesterday. (12) ~~12~~ ~~12~~

The newspaper said the Botswana government made the decision after the Pan Africanist Congress had asked the authorities not to deport Mr Sicelo Mlando to South Africa as he would face arrest and be forced to testify before a commission on violence. Mlando was charged with possession of unlicensed firearms after police shot and wounded him in Francistown last month, the newspaper said.

Southern 11/2/93

# Botswana's deficit fails to curb spending plans

GABORONE — Unperturbed by its first projected deficit for nine years, Botswana has decided to press ahead with spending plans, peg taxes and hope that the diamond market picks up before elections next year.

Finance Minister Festus Mogae predicted a shortfall of 567-million pula (\$255m) when he announced a 4,474-billion pula budget for 1993/94 before parliament on Monday.

That would be covered from the country's estimated 8,4-billion pula foreign exchange reserves, Mogae said, to supplement forecast revenues of 3,907-billion pula.

Mogae estimated a deficit of 110-million pula on the current budget year on expenditures of 4,224-billion pula, a shock to a government that has come to expect regular surpluses because of its diamond wealth.

Diamond revenues fell when the London-based Central Selling Organisation, De Beers' marketing arm, imposed a 25% cut in diamond production on Botswana for 18 months from last September.

In previous years earnings from the mineral sector, mainly from diamonds, contributed about 40% of total government revenue.

Mogae said mineral earnings for the next budget year were forecast at 1,578-billion pula, a drop of 6% over the current year.

The 1993/94 estimate also represented a

drop of 17% on 1991/92 mineral earnings.

University of Botswana economist Keith Jefferies said: "The big danger is that if the diamond market does not recover then the crunch will come during an election year."

He believes the government should bring forward the mid-term review of its 1991-1997 six-year plan, scheduled for next year, in case the 18-month quota is extended.

Other primary producers were also suffering. The copper-nickel mine at Selebi-Phikwe was operating at a loss, and Soda Ash Botswana at Sua Pan was struggling against technical problems and a weaker market, Mogae said.

## Inflation

He announced plans to stimulate the formal economy — which remained stagnant at 230 000 jobs in 1992 — by easing the criteria companies had to meet to qualify for government subsidies under regional development programmes.

January's year-on-year inflation, at 17,2%, was up from the 1992 average of 16%.

The latest GDP figure available, for 1991/92, showed growth in real terms of 5,8%, a slowdown from the 8,8% recorded the previous year.

Mogae said that the 1992/93 figure was expected to show further shrinkage. — Sapa-AFP.

(12)

# Diamonds aren't for ever

FM 19/2/93

■ The boom is ending. Now Botswana must find new ways to fuel growth

In world terms, Botswana's economic performance over the past decade has been remarkable. In Africa it is unprecedented.

Annual growth has averaged above 10% and the country has accumulated what is probably the world's highest level of foreign reserves relative to imports.

Compared to the rest of sub-Saharan Africa, Botswana's 1,4m people are relatively well housed and cared for. The vast majority have access to health care, clean water and education.

There are regular elections (in each of which so far the Botswana Democratic Party, currently headed by President Sir Ketumile Masire, has won overwhelming majorities), a small but vociferous opposition and a vigorous and critical free press.

The prolonged boom has been on the back of a soaring international diamond market which lifted Botswana from one of Africa's poorest countries at independence from Britain in 1966 to one of the continent's most prosperous.

But it has not simply been a case of mineral riches paving the way for economic success. Many other African countries have been equally blessed with natural resources, but have failed dismally to develop their economies.

Botswana, by contrast, capitalised on political stability — which characterises it as the most successful democracy in Africa — to apply sensible economic policies aimed at rapid social and infrastructural development financed by diamond revenues.

But the boom times are over, at least for now. International recession, a depressed world diamond market and a crippling drought pose new challenges for Botswana's economic planners.

To maintain a growth rate strong enough to continue uplifting the country's popula-



Gaborone ... economic centre

tion through wealth distribution and job creation, the economy must diversify away from dependence on a single commodity.

It won't be easy. Though strong in its own right, Botswana remains heavily influenced by both regional and international trends.

But its leaders have shown in the past that they have the political maturity to deal with the massive problems that confront Africa. They are now being asked to apply the same pragmatism to the economy. ■

## Never-ending story?

### ■ Botswana's economy

remains the envy of Africa

Though a slump in the international diamond market depressed Botswana's economic growth rate from nearly 9% in 1990-1991 to an estimated 3,5% in 1991-1992, Finance & Development Planning Minister Festus Mogae says current forecasts put the GDP growth rate for the current financial year at 8%.

This will help maintain the country's average growth rate for the next five years at an estimated 4,7%.

But he points out that Botswana's fortunes are largely dependent on international and regional developments, many of which are extremely difficult to predict.

Some economists believe the forecasts, based on the government's seventh National Development Plan (NDP7), are over-optimistic, considering the state of the world economy and the lack of diversity in Botswana's exports.

Of particular concern is the depressed international diamond market on which Botswana depends for about 80% of export earnings. Another 10% is made up of copper, nickel and beef, which have been hit by depressed world markets and the devastating drought.

Inflation has also emerged as a serious threat to continued prosperity and was spiralling above 17% by the end of last year. University of Botswana economist Keith Jefferis says inflation can no longer be blamed on SA.

Domestically generated inflationary pressures are increasingly important. He warns that higher inflation will undermine the competitiveness of domestic industry and erode the living standards of the majority of

the population.

Jefferis says the outlook for the economy over the next year or two is "rather mixed" and largely dependent on the fortunes of the diamond market. Nevertheless, the government should not be deterred from pursuing economic diversification — the central theme of NDP7.

Mogae says the government has a "conscious policy" to diversify the economy away from a single commodity. This is reflected in significant recent investments in projects such as Soda Ash Botswana at Sua Pan and in tourism and agriculture.

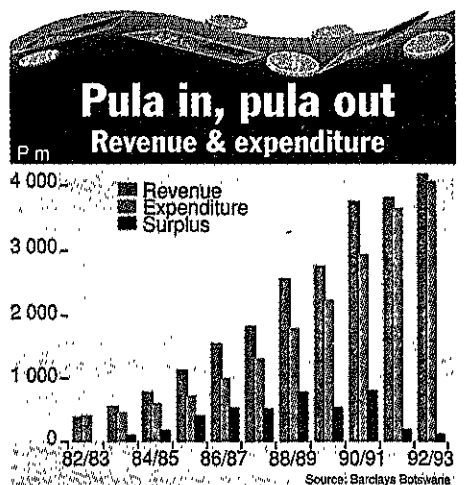
A rather vexing problem is how to tackle diversification in a country that has become so dependent on a single commodity. Manufacturing is one of Botswana's slowest growing sectors and does not appear to be anywhere near a boom.

Jefferis says in order to grow significantly over the next few years export-orientated manufacturing needs a comparative advantage in international markets which it currently lacks.

One possible advantage is Botswana's stable economy and strong currency backed by massive foreign exchange reserves. This could be linked to the abolition of foreign exchange controls.

The risk of capital flight would be outweighed by the attraction to foreign investors of a stable economy, a strong currency and unrestricted currency movement. Mogae says the country's current development policies also need to be diversified.

More jobs need to be created; more Botswana need to be trained for skilled employment; the population growth rate must be reduced; the country's natural resources



P.T.O

must be managed in a sustainable manner; and services must be extended to the more remote parts of the country to enable more people to benefit from development.

The framework within which this challenge will be met includes:

- An intensification of policies to create income-earning opportunities in order to improve income distribution, enhance the self-reliance of households and reduce the need for public transfers;
- A population policy to improve family planning, health and education, and assistance in reducing the rate of population growth so that a larger share of future sustainable growth can be reflected in per capita incomes;
- Strengthening conservation policy to promote development and ensure that more diversified growth does not endanger the country's renewable resources or result in other forms of environmental decay;
- Developing a sound and competitive export promotion policy that facilitates the expansion of non-traditional exports; and
- Redirecting rural development policy to ensure that appropriate linkages are established with industrial, service and tourism sectors of the economy, which are likely to generate greater demand for rural products and services than arable or pastoral agriculture.

He says massive investments in social and physical infrastructure, coupled to a stable political climate and conducive industrial relations are the foundation of an even more prosperous future.

"Botswana offers an excellent combination of political stability and a strong economic performance which, together, make it an excellent place in which to do business."

Mogae regards manufacturing and services as areas of major growth potential for Botswana. "Fact is, the performance of these sectors has already been striking, but from a very small base. Therefore expansion of these sectors will further enhance economic performance due to the strong sectoral linkages they have on the economy."

He believes Botswana's economic relationship with a democratic government in SA will depend on several factors, including SA's attitude towards regional development.

"If their attitude is positive, then our economic relationship will certainly be strengthened. SA is our most important regional trading partner and any move against regional co-operation will have a severe impact on the economies of its regional trading partners."

Mogae recognises that a post-apartheid government will have to face the challenge of



**Festus Mogae**

uplifting the living standards of the majority of people whose welfare was generally neglected during nearly 50 years of repression.

"However, I remain convinced that a democratically elected government will see the advantages of closer regional co-operation for both SA and the region."

Botswana's own attitude towards regional co-operation, he believes, is manifest in its participation in the Southern Africa Development Co-ordination Conference (SADCC) and its membership of the Southern African Customs Union.

"We believe small countries can benefit considerably through development based on regional markets and other forms of co-operation that are not viable on an individual-country basis.

"We are firmly committed to regional co-operation and see prospects for the future development of Botswana in this light."

Mogae says Botswana's relative economic strength and political stability is due on the one hand to its natural resources (diamonds in particular) and to a tradition of democracy on the other.

"We have used proceeds from diamonds to develop physical and social infrastructure and develop human capital and have avoided overly ambitious expenditure that could cause macro-economic instability. Instead, we accumulated reserves over the years.

"Rather than destroy or undermine our

rich tradition of democracy, we have used it to build our multiparty democracy. For this reason, relations between government, political parties and the people have been peaceful.

"We have allowed for diversity of opinion rather than bottle up differences which tend to build up pressure until it can no longer be contained."

## Playing a crucial role

### Government involvement has benefited the country

Botswana Development Corporation (BDC), the government's investment arm, plays a crucial role in the country's economy.

Through 35 subsidiaries, 31 associated companies and 43 firms in which it has an interest, the corporation provides jobs for 12 550 people — one of Botswana's biggest employers. Net profit in the 1992 financial year was P30,2m on sales of P148,1m.

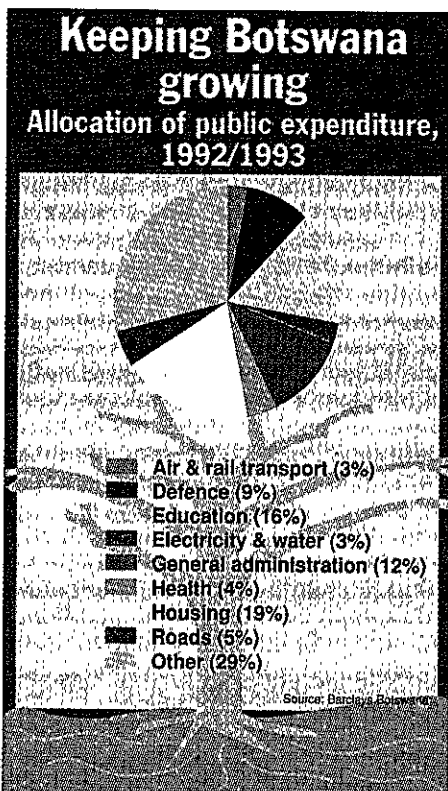
BDC was established in 1970 as the government's main agency for commercial and industrial development. The government is the sole shareholder. The corporation is currently involved in virtually every aspect of the country's economy, including property development, agriculture, financial services and commerce and industry. The only significant sector in which BDC does not participate is large-scale mining.

Free marketers could argue that BDC squeezes the private sector out of the economy, but MD Michael Molefane has said this is not so. The BDC would gladly sell out to any Botswana citizen who was able to strike a deal. The corporation regards itself as a "private citizen" partner for foreign investors and offers local knowledge and contacts in government.

BDC public relations officer Sue Heathcote says a key objective will continue to be job creation. Though the economy has grown rapidly on the back of a mining boom, this sector cannot provide employment for all job seekers. BDC will play a significant role in helping diversify the economy away from over-riding dependence on diamonds towards labour intensive "medium technology" industries.

She says the tourism industry in particular has major growth potential and is an area in which BDC has been active since 1970. "BDC was a prime mover in the formation of the national airline, which is playing an important role regionally and has assisted in the development of many of the country's major hotel facilities."

The corporation will also continue seeking partnerships with foreign firms able to provide know-how currently lacking in Botswana. "A good example was the establishment last year of ITC, Botswana's first credit reference bureau, which was under-





Continued from p58

taken in partnership with Information Trust Corporation of SA. BDC perceived a need for such a service and found a partner with the necessary experience to get the project off the ground."

At the same time BDC encourages investment by local entrepreneurs, but they are relatively scarce except in small-scale industry. Heathcote says historically BDC has benefited from the buoyancy of Botswana's economy. There has been scope for development across all sectors and the corporation has not needed to search for investment. It played a major role in a number of "firsts," including the Botswana Stock Market, the first private hospital, Air Botswana and ITC.

"BDC's role has, however, been relatively passive, with investors approaching the corporation with ideas and requests for service. A number of factors are now contributing to a changing role.

"There is more competition for investment in the region and Botswana's economy is less buoyant than it was — although by international standards it continues to perform well."

She says BDC's new role will include more aggressive marketing of itself and the country to potential investors. "Gone are the days when the corporation could wait for entrepreneurs to knock on its door. Investors must be targeted by sector, and geographically." ■

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**Looking ahead**

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## ■ Careful planning steers

### Botswana's economic course

Botswana's seventh National Development Plan (NDP7) for the period 1991-1997 is regarded as the platform from which the country's economy will transform from overwhelming dependence on a single commodity, diamonds, to greater diversification, without undermining the massive socio-economic gains that have been made since independence in 1966.

But the structural changes needed for a successful transition are arguably the greatest challenge the country has ever faced. They will largely determine its future prosperity.

Successive NDPs have contributed significantly to Botswana evolving from one of the poorest countries in Africa into one of the wealthiest.

Buoyed by the discovery of the world's richest diamond deposits just after independence and the subsequent development of an industry that currently accounts for 80% of export earnings, real per capita income increased from P578 (R740) in 1966 to over

P4 000 (R5 100) in barely two decades, implying an average annual growth rate of almost 10%. This is phenomenal not only in Africa, but among world economies.

Mining in general and diamonds in particular shifted the economy's structure from dominance by agriculture — which contributed 39% of GDP in 1966 — and allowed massive investment in social infra-structure.

By 1990, nearly all children of primary school age were at school, 80% of rural villages had access to clean water and 85% were within 15 km of health care.

Government spending was guided by the NDPs, which provided detailed economic forecasts within which budgets could be prepared.

But some economists say the first six NDPs represented the easy phase of Botswana's development: natural resources were exploited in partnership with dependable outside interests and the infrastructure financed from the proceeds was fairly uncomplicated.

The new challenge posed by NDP7 is to sustain the gains made since 1966 through productive employment for the mass of the population and the distribution of the benefits of development.

Structurally, there must be a fundamental shift from dependence on mining to a far more diversified economy which will demand

*Continue →*

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**Planning for pula**

**Annual growth rates and sectoral shares**

	Annual growth rates 1984/85 1990/91	Annual growth rates 1990/91 1996/97	Sectoral shares 1991/92	Sectoral shares 1996/97
Agriculture	4,5	1,9	2,9	2,5
Mining	6,0	1,4	32,6	27,1
Manufacturing	10,4	6,9	4,4	4,7
Water & electricity	11,8	9,3	1,7	2,1
Construction	7,9	-7,9	13,8	7,2
Trade & hotels	15,3	6,8	18,5	22,2
Transport & comms	11,4	9,3	1,7	2,1
Finance & business serv	8,5	5,7	3,3	3,5
Social & personal serv	10,2	5,1	2,3	2,3
General government	11,7	13,8	18,6	26,3

Source: NDP 7

aimed at productive investment, apply investment criteria to ensure efficient allocation of resources, monitor development spending to ensure that subsequent spending does not become unsustainable and train the required technical and professional personnel to support the development effort.

Osafo-Gyimah says the shift of emphasis to the private sector implies that the price mechanism will have to assume a central role in resource allocation.

Government intervention in the form of taxes and subsidies will be limited to removing distortions that might impede the smooth functioning of the price system as an allocative mechanism.

"This could include the progressive dismantling of housing subsidies to achieve commercial rentals and to promote the building of more houses; cost recovery in education, health and transportation; and setting of utility tariffs for parastatals to reflect real costs."

Based on the Base Case Scenario, which reflects the "most likely and reasonable" Botswana's GDP in 1991-1992 prices is expected to grow from P7,8bn (R10bn) in 1991-1992 to P10bn (R12,8bn) in 1996-1997, implying an average annual growth rate of 4,9%.

High-growth sectors are expected to be: government (13,8%); water and electricity (9,3%); transport and communications (7,3%); manufacturing (6,9%); trade and

*Continue*

clear planning and hard work. But Botswana has shown in the past that it is capable of both.

University of Botswana economist K Osafo-Gyimah says the NDPs and the whole system of economic management, of which they are an integral part, are widely respected by development economists and provide a practical example of a highly successful planning process in a developing country.

Commenting in Barclays' *Botswana's Economic Review*, he warns that the coming period will not be easy, mainly due to a slowdown in the growth of the mining sector and, he says, the prospects during NDP7 are not encouraging.

The public sector, a major force for growth in the past, will probably weaken. Budget surpluses maintained since 1983, due mainly to the strength of the mining sector, will probably no longer be possible.

The likelihood of budget deficits for much of the 1990s will concentrate attention even more clearly on the government's spending priorities and underscore the need to diversify sources of revenue.

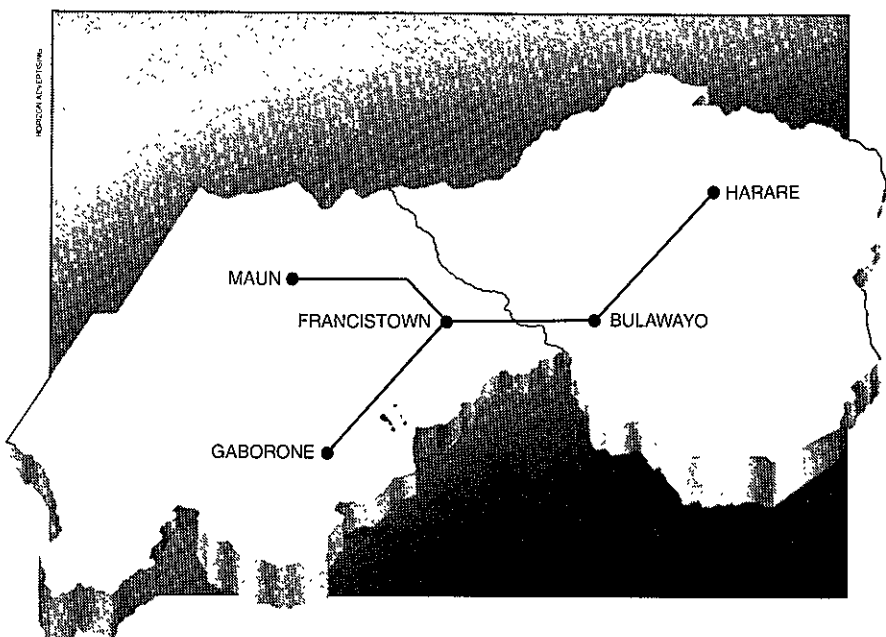
In previous years the government has managed to meet recurrent expenditure through non-mining revenues and used mining revenues for development and reserves. Osafo-Gyimah says this is unlikely to continue during NDP7 and means new policy initiatives will be needed.

- He identifies five areas for new initiatives:
- Production, employment and income;
  - Rural development;
  - Public sector management;
  - Monetary and credit policies; and
  - Fiscal policies.

The private sector must play a bigger role in growth through diversification and must create jobs and income-earning opportunities and provide the main source of government revenue.

The public sector must support initiatives

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enue and grants.”

Clark believes earlier forecasts in National Development Plan 7, of GDP growth rising to 8% for 1992-1993, may have been “a bit optimistic,” considering the extent of the drought and the continuing slump in diamond sales.

While imports should be depressed by lower domestic demand, exports are expected to fall at an even faster rate in response to the international recession. This could cause lower current account surpluses or even negative balances.

“While the overall balance of payments position is expected to remain relatively strong, we expect to see some declines in reserves, if not declines in their growth rate.

“Furthermore, De Beers has introduced a quota system which involves a 25% cut in contractual obligations to producers.”

Clark says Botswana’s economic outlook for the next five years is not as rosy as the past half decade, though the projected average growth rate of 4,7% for the period is still relatively high by international standards.

While mining and minerals — including the R1bn Sua Pan soda ash project — have dominated economic growth in recent years, there are signs of potentially significant growth in the manufacturing sector, particularly textiles.

Clark believes the banking sector will continue to play a leading and innovative role in financing development projects. Over the past 10 years, average annual growth in bank credit to the mining and manufacturing sectors has been 8,1% and 34,5%, respectively. ■

## A treasure chest

■ Botswana offers visitors an almost unique experience

**War, disease** and the collapse of infrastructure in sub-Saharan Africa are curtailing the opportunities for foreign tourists to experience the true beauty of the continent.

But the scarcity of the sought-after product means a country like Botswana, that carefully protects its natural heritage, stands to gain in what is expected to be an eco-tourism boom in the coming decade.

Tourism arguably offers Botswana the best chance of breaking away from almost total reliance on minerals for export earnings.

The need to do so has been underscored in the past two years by the depressed demand for diamonds — Botswana’s most lucrative export — and the drought, which has crippled the country’s cattle ranching sector.

Tourism is a relatively unexploited sector in Botswana, partly on purpose and partly due to the dominance of minerals which have tended to overshadow the need to devote much attention to any other sector.

Though the country’s national parks and game reserves — comprising 17% of total land area — are among the most pristine in Africa, efforts to market Botswana as a tourist destination have been minimal.

Even within the government’s policy of “high-value, low-density” tourism aimed at protecting the ecology of areas such as the Okavango delta, there is considerable capacity to absorb more visitors.

Many tour operators believe the industry in Botswana has been neglected for a long time and that the country now needs a comprehensive tourism strategy.

Piet Louw of tourism, hotel and leisure consultants Greene, Belfield Smith, a division of Deloitte & Touche, says: “Tourism is considered a key area for diversifying the economy away from its dependency on diamonds. The biggest danger facing Botswana tourism is that it is done on an ad hoc basis.

“It has adopted a policy of ‘high value, low impact’ tourism which implies that the target market is up-market — a very demanding market in terms of facilities and service.”

However, given Botswana’s natural beauty and political stability and the increasing demand for “wilderness” experiences and eco-tourism, Botswana’s tourism sector should experience significant growth in the years ahead, says Louw.

“This growth could become phenomenal if the political situation in SA and Angola is normalised.”

Tourism provides about 5 000 jobs, but contributes only 3% of GDP, compared with 40% from mining and minerals, 6% from agriculture and 5% from manufacturing.

But government officials are aware of tourism’s potential to keep the economy growing. The government actively backs an international tourism expo, the “Kgotla” (meaning gathering), first staged in 1991.

The first Kgotla, organised under the auspices of the Hotel and Tourism Association of Botswana (Hatab), essentially positioned Botswana on the international market, while last year’s expo concentrated harder on selling the country abroad.

Delegates included travel agents and tour operators from Europe, North America and the Far East, looking for untapped destinations for demanding tourists. Exhibitors were mainly safari, hotel and tourism-related companies based in the region.

Though only 20% of Botswana’s tourists are currently from Europe, they contribute 80% of tourist revenue and will continue to be targeted as the primary market. SA is not regarded as a market that needs to be specifically targeted. Most SA tourists to Botswana prefer to travel independently rather than in organised tours.

The country also tends to benefit from the “overflow” of foreign tourists to SA, who often extend their visits into the region by including attractions such as the Victoria Falls in Zimbabwe and Chobe in north-eastern Botswana.

Commerce and Industry Minister Ponatshego Kedikilwe says the Kgotla reflected the significance attached by his government to the viability of tourism as a component of Botswana’s economy.

“The importance of tourism to Botswana cannot be over-emphasised. It provides the country with a steady source of foreign exchange which, unlike our beef industry, is not adversely affected by drought.

“It also stimulates rural employment which improves the economic wellbeing of our rural population and it does not deplete our limited natural resources.”

But he believes the influx of tourists must match the country’s carrying capacity and complement its conservation efforts to prevent wilderness areas being “trampled by masses of uncontrolled tourists.”

The government’s commitment to tourism is also reflected in significant infrastructural



Okavango ... unexploited

investment, including the new Kasane international airport, the current upgrading of Maun airport and the construction of tarred highways to prime tourist regions, including Chobe in the north-east and Maun on the fringe of the Okavango delta.

The trans-Kalahari highway currently under construction will open up Botswana’s relatively unexplored south-west region to “the more adventurous, daring tourist,” says Kedikilwe.

Apart from the provision of infrastructure, he says the government’s role is to monitor tourism development in the light of the country’s fragile ecology.

“Private sector operations can effectively take place within an atmosphere of government regulation in order to ensure expansion of tourism on a sustainable basis in the long term. Thus it is necessary to allow freedom within regulation if we are to avoid a situa-

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hanced by carefully chosen decor, including individually painted murals, painted porcelain wash basins and hand-woven rugs. Timber fittings made of Rhodesian kiasat dominate the site.

Apart from spectacular views from the balconies, each room also offers the comforts of a stocked fridge, bath robes, air-conditioning, ceiling fans and telephones.

Mowana is one of three new hotels opened by Cresta in Botswana during the past two years.

Matumo says the lodge complements Cresta's mix of accommodation aimed at tourists, business travellers and conferences. The group currently operates 643 of the 1 811 hotel rooms available in Botswana and employs 650 people.

"In an industry which contributes approximately 3% to the GNP, it's a significant percentage of employment," says Matumo. "Tourism has the ability to provide employment in remote rural areas, so its value to the country is far greater than its share of GDP. Cresta is a good example of this principle in practice."

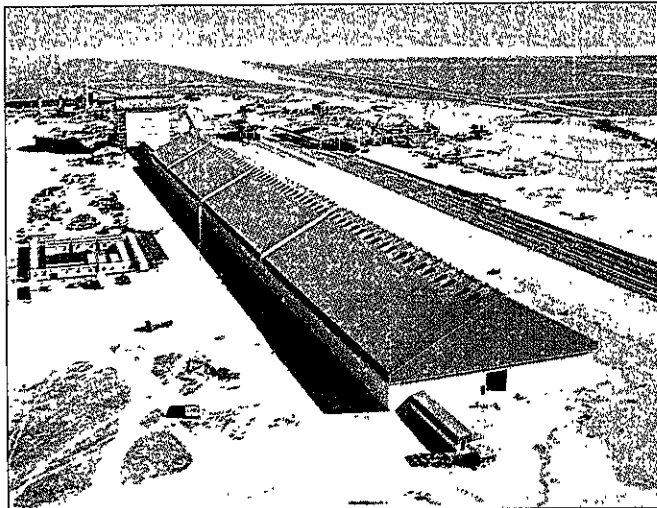
Cresta also plays a leading role in promoting Botswana as a tourist destination under the auspices of the Hotel & Tourism Association of Botswana (Hatab) and sponsored last October's tourism expo, Kgotla, (meeting place) in Gaborone.

Matumo says the Botswana government's positive attitude towards tourism — 84% of all land is under wildlife management — means tourism is likely to develop into a significant contributor to GNP. ■

## Reaching out

### ■ Sua Pan is a lesson in the benefits of regional co-operation

**Botswana's R1,3bn Sua Pan soda ash project, 180 km north-west of Francistown,**



**Sua Pan ... example of regional co-operation**

ranks behind the R8bn Lesotho Highlands water scheme as the most important current example of regional economic co-operation in southern Africa.

In spite of political obstacles and continued attempts by US soda ash suppliers to thwart the emergence of a competitor, Soda Ash Botswana was formally launched in 1988 by an agreement between the Botswana government and three SA companies — AECI, Anglo American and De Beers.

The plant was commissioned in mid-1991 and is scheduled to reach full production of 300 000 t of soda ash within the next 12 months, with production of 650 000 t of salt per annum following a year later.

In terms of planning projections, the plant will eventually be able to supply all SA's soda ash needs and export about 25% of production to Zambia, Zimbabwe and central Africa.

AECI says that subsequent to the decision to proceed with the Sua Pan project, major production capacity expansions were commissioned by many of the large, low-cost American soda ash producers in order to exploit export markets.

As a result of the US capacity increase, coupled to the worldwide reduction in demand for the product because of the global economic recession, severe competition has developed in the southern African market which has eroded the project's projected profitability in the short term.

Soda ash is used in the manufacture of glass and in the detergent, metallurgical, chemical and pulp and paper industries. The salt produced as a by-product of soda ash production, will be used in chemical manufacture and processed into table salt.

Sua Pan, in the Makgadikgadi Depression, is one of the most extensive soda ash deposits in the world.

The area is believed to have once been part of a vast inland sea. The three SA companies hold a total of 52% of the equity with the Botswana government the minority shareholder with 48%. When the project is in full production next year, annual turnover is expected to be just under R400m.

Soda Ash Botswana has created about 630 direct jobs, of which 500 are held by Botswana. Infrastructure related to the project include a new rail link to Francistown, a 189 km electricity power line and a R137m settlement called Sowa Town (from the Setswana word for salt) complete with 600 houses, a shopping complex, schools, medical and sports facilities and a community centre.

The company will buy

about 200 000 t of coal a year from the Morupule Mine near Palapye.

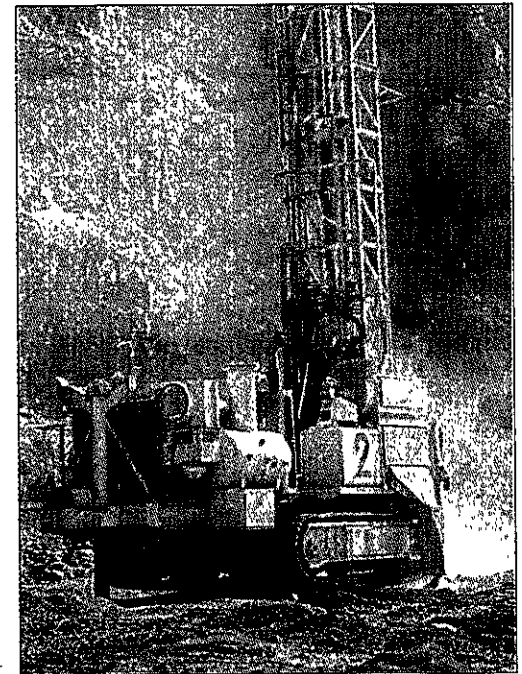
Together with the salt and soda ash, the coal will almost double the current tonnage carried by Botswana Railways. ■

## Economic miracle

### ■ Diamonds underpin

### Botswana's thriving economy

**At independence** from Britain in 1966, Botswana was one of the world's poorest countries. A dusty, under-developed semi-desert state that relied on cattle ranching for what little economic activity there was.



**Diamonds ... demand is down**

But then the large deposits of diamonds that geologists knew were hidden under the scrublands were finally discovered and in less than 20 years Botswana was the envy of Africa, and the world.

Diamond revenue boosted GDP growth during the decade of the Eighties to over 10% per annum and allowed Botswana to escape the seemingly inevitable slide of independent Africa into the abyss of economic ruin.

Although the international diamond market is currently severely depressed, Botswana's careful management of the massive revenue from its mineral riches means the reserves accumulated in recent years, coupled to infrastructure already in place, should shield the country from what could otherwise have been a severe recession.

De Beers began prospecting for diamonds in Botswana in 1955, but it wasn't until 1967 that the first kimberlite pipes were found at Orapa, west of Francistown, and a diamond

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was recovered from what was to become the Orapa Mine.

In 1969, De Beers and the Botswana government formed Debswana — now a 50-50 partnership between the government and De Beers Centenary AG — and Orapa was developed at an initial cost of P24.5m. Production began in 1971 and currently produces about 5m carats annually.

The Letlhakane Mine, 40 km east of Orapa, went into production in 1977, after an initial investment of P12.5m, and now produces about 900 000 carats annually.

In 1973, kimberlite pipes were discovered near Jwana in southern Botswana and five years later De Beers and the government agreed to develop the Jwaneng Mine at a cost of P254m. The mine started production in 1982 and currently produces 9m carats a year.

Subsequent investment to upgrade plant and facilities at the three mines totalled P852m by the end of 1991.

Debswana has two subsidiaries, the Botswana Diamond Valuing Company, which sorts diamonds, and Teemane Manufacturing Company, which cuts and polishes rough diamonds supplied by the Central Selling Organisation (CSO) in London.

MD Baledzi Gaolathe says net income increased from P870m in 1988 to P1,37bn in 1991 and production, measured in carats, rose from 15,2m to 16,4m over the same period.

The group employs just under 6 000 people. Diamond mining contributes more than 40% of Botswana's GDP and 80% of export earnings.

Gaolathe says Debswana is currently stockpiling 25% of its rough diamond delivery entitlement to the CSO.

"This policy is expected to continue during 1993.

"Any change will be determined by the state of the diamond market and the CSO's ability to take delivery of the normal supply of diamonds from Botswana."

Debswana's fortunes over the next few years will depend on how soon the world moves out of recession.

"However, Debswana is preparing to take full advantage of any economic recovery when it takes place by substantially increasing efficiency and productivity on its mines and by increasing capacity at Jwaneng Mine to produce some 21% additional diamonds from the Jwaneng Fourth Stream project," says Gaolathe.

When fully operational, the P409m Fourth Stream project will increase ore treated per annum by a third, to 7,68m tons, and carat production will increase by about 21%.

Gaolathe says Debswana's challenges over the next few years include surviving the current recession and remaining capable of efficiently continuing to operate in the anticipated economic recovery when it takes place. ■

## Moving with the times

### Botswana's stock market represents economic progress

The success of Botswana's fledgling stock market (BSM) since its launch in 1989 presents the government with the perfect platform from which to launch a privatisation campaign, says stockbrokers Botswana Ltd MD Bill Picken.

"The public and government must recognise the privatisation and deregulation winds blowing across the world. Botswana must grasp these changes and move with the times to keep ahead of our neighbours and competitors."

Picken says other African countries are keen to privatise, but are hesitating because they have no formal stock market.

Five Botswana companies had already sold shares before the BSM was established in June 1989, but there was no formal market for secondary trading. The five — Barclays Bank, BGI, IGI, Sechaba Investment Trust and Sefalana — were worth about P100m (R128m) in terms of capitalisation when the BSM was launched.

Since then, there have been six new listings — Standard Chartered Bank Botswana (raised P11m), Financial Services Company (P10m), Botswana Insurance Company (P8m), Inco Holdings (P1.5m), Pep Botswana Holdings (P19m) and Real-estate Development Company (P8m).

There has also been the reverse takeover by Engen Botswana of BGI and three rights issues — Stanchart (P10m raised), Barclays (P5m) and IGI (P2m).

Picken says the BSM offers a range of advantages to companies wishing to list, including cheaper capital than bank rates, and

tax breaks such as a reduction in company tax from 40% to 35% for five years, no capital gains tax on the sale of publicly traded company shares and no dividends tax.

The market is easily accessible to ordinary citizens. There are currently about 7 500 "small" shareholders, compared to about 3 000 in June 1989.

"When companies go public, they are encouraged to offer shares to all employees. This was done by Barclays, Stanchart, Pep, BIHL, IGI, FSC, Engen, Inco, RDC and Sefalana and has proved very popular. We find employees often know a lot more than management give them credit for."

Picken says initially shares were tightly held, but liquidity is improving and the abolishment of capital gains tax on publicly traded shares has tended to stimulate trading.

"Small shareholders are encouraged to buy and, in fact, take an interest in company affairs. For example, at a recent Sechaba Investment Trust meeting about 100 of the 1 000 shareholders turned up and gave the board a good grilling.

"At the end of the meeting the directors were all re-elected and all the motions were passed — real shareholder democracy."

To date the BSM has attracted about P20m (R25m) in foreign investment and foreigners have sold and taken profits of about P10m (R12,5m). Foreign trading is unrestricted and there is free inward and outward movement of investment funds.

Looking ahead, Picken believes the BSM will not outperform the Botswana economy, but rather complement it and grow with it. "I think that is the problem of a largely single-commodity economy."

Speculation that exchange control may be scrapped is a challenge for the BSM.

"But we believe in the long term it is a progressive step which Botswana and its neighbours must consider if they are to get into the real world," says Picken. ■



Bill Picken

Spreading the wealth							
Botswana share market							
Year ended	No of transactions	Volume of shares traded	Pula value of shares traded	Market cap pm	% age turnover to market cap	Botswana share index	US \$ index
June 1989 opening day				119.50		100.00	100.00
December 1989	267	850 660	3 516 794	255.0	1.979	149.33	186.36
December 1990	1045	2 240 932	7 805 661	423.6	1.843	230.46	256.89
December 1991	1874	6 207 570	17 082 848	545.40	3.132	271.70	270.90
December 1992	1696	9 893 956	31 865 202	657.20	4.849	273.92	256.09

This Special Report written by CHRIS FREIMOND.

## MP resigns over housing 'debacle' (12)

GABORONE — Botswana's Assistant Minister of Finance and Development, Planning, Ronald Sebege, has resigned.

President Ketumile Masire accepted his resignation with regret last night.

Sebege was named in the recent Christie Report investigating corruption in the Botswana Housing Corporation as having assisted people to jump the queue on the housing waiting list.

The report recommended that Sebege, who at the time was responsible for the BHC, "must accept his share of political responsibility for the BHC debacle". — Star Africa Service.

## Minister resigns

BOTSWANA Finance and Development Planning assistant minister Mr Ronald Sebege has resigned, President Ketumile Masire announced "with regret" on Monday night. (12)

Sebege was named in the recent Christie Report investigating corruption in the Botswana Housing Corporation (BHC) as having assisted people to jump the queue on the waiting list for houses. Sowetan 17/2/93

The Christie Report recommended that Sebege, who at the time was responsible for the BHC, "must accept his share of political responsibility for the BHC debacle".

Sebege did not profit personally from any of the dealings at the BHC, the report found.



# New challenges, after a decade of growth

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**Dr Keith Jefferis is senior lecturer in economics at the University of Botswana**

Many aspects of Botswana's economic success during the Eighties provide valuable examples to other developing countries. For much of the decade it was the world's fastest growing economy and contrasted sharply with the problems experienced by most of sub-Saharan Africa.

But the crucial test will come over the next decade, as attempts are made to develop the economy away from rapid diamond-led growth to a more diversified and sustainable economic structure.

For the past 15 years the diamond industry has been the foundation for all economic development. The magnitude of diamond earnings in what is otherwise a very small economy (GDP around US\$3bn) has far exceeded what could easily be absorbed. Consequently, there have been surpluses on both the government budget and the current account of the balance of payments since the mid-Eighties.

Botswana's accumulated foreign reserves of nearly \$4bn are equal to more than 18 months' import cover, one of the highest ratios in the world. The country has no debt problems and the pula is probably the strongest independent currency in Africa.

In spite of budget surpluses, government spending has increased rapidly in recent years, mainly to finance social needs and infrastructure such as education, health, water supplies, housing and roads.

While the benefits of government spending have been felt fairly widely, they have made only a partial impact in offsetting the country's relatively unequal income distribution. Nevertheless, without diamond earnings, Botswana would have faced many of the more typical development problems of sub-Saharan Africa.

By developing relatively late it has been able to learn from — and so far avoid — many of the mistakes of other mineral rich countries, especially Zambia and Nigeria.

Nationalisation has been avoided and yet the agreement governing the running of the diamond industry — owned 50-50 by the government and De Beers — is considered one of the best secured by a developing-country government with a multinational mining company. Though De Beers retains operational control of the industry, the government is actively involved in major decisions and receives around 80% of the profits.

Government has also largely avoided the

temptation to spend wastefully on unproductive prestige projects, preferring to save for the future if there have been insufficient viable project opportunities.

Expenditure is carried out in accordance with a system of National Development Plans (the 1991-1997 plan is the seventh) under which spending priorities and limits, once agreed by Cabinet and parliament, are monitored and enforced by the Ministry of Finance & Development Planning.

But diamond exports have been falling in real terms from their 1989 peak and the recent imposition of sales quotas by De Beers makes 1993 prospects particularly gloomy.

Current problems in the industry reinforce the need for diversification away from the dominant role of diamonds and there have been efforts to develop other mineral-based activities.

Manufacturing also grew rapidly in the Eighties and diversification through development of an export-orientated manufacturing sector forms the centrepiece of NDP7.

Though the manufacturing sector remains small (less than 5% of GDP), it is important as a source of jobs and was a major contributor to the rapid growth of formal sector employment during the past decade.

But both manufacturing and the construction sector have been badly hit by the current economic slump.

Construction experienced a five-year boom on the back of massive land servicing, housing and road building projects, but the recession in SA has led to competition from SA construction firms and materials suppliers, resulting in allegations of dumping.

Manufacturing firms also face severe competition in both local and regional markets and exporters (especially textiles and clothing firms) have found their SA and Zimbabwean markets eroded due to recession in the former and a structural adjustment programme in the latter.

There have been retrenchments in the manufacturing and construction sectors and 1992 saw the first-ever fall in formal sector employment.

Accurate data on current economic growth will not be available for some time, but it is likely there will be close to zero growth in 1992-1993 — a major contrast with the experience of the Eighties, when economic growth averaged 11% a year.

In addition, inflation rose sharply last year to over 17%, though this is seen as temporary and should fall back to SA levels over the next few months.

In the past, economic growth has been led by expansion of the mining, construction and government sectors, with government playing a major role in directing resources.

In future, as emphasis shifts towards manufacturing and possibly services as leading

sectors, the private sector will need to take a leading role rather than simply reap the benefits of rapidly rising State expenditure, while government will have to concentrate on strategic planning and providing an enabling environment for private sector investment, rather than direct intervention as in the past.

At present, the emphasis is on developing the manufacturing sector as both a source of export earnings and employment.

Botswana does have attractions for manufacturing investment — a favourable macro-economic environment, liberal exchange controls and a generous investment incentive scheme — but these are countered by low productivity, high utilities costs, limited raw materials and a small domestic market.

If the manufacturing sector is to develop, a long-term plan to develop comparative advantages in selected industries is essential.

Government is devoting substantial resources to education and training in an effort to overcome a serious skills shortage, but this will take time to bear fruit.

There is a lack of local entrepreneurial capacity and much domestic investment is directed towards property, trade and cattle, rather than manufacturing and mining. Foreign investors are actively encouraged, but are needed as much for managerial, technical and marketing skills as for capital.

Recent financial reforms are aimed at developing capital markets, but it appears firms still face problems in securing adequate long-term finance from local sources despite high levels of aggregate savings.

Savings by government and the corporate sector are set to decline over the next few years and recent rises in interest rates have been aimed at boosting household savings from their present low level. As yet, the impact is unclear, partly because rising inflation has undermined attempts to make interest rates positive in real terms.

But savings need to be encouraged to avert a serious shortfall in domestic savings below investment needs.

A third crucial issue is government spending. It will have to be cut as revenue decreases if Botswana is to avoid inflation and an escalating budget deficit which could rapidly erode reserves built up in recent years.

The next decade will be difficult for Botswana. Diamonds led growth, provided employment, raising living standards and a macro-economic position the envy of many developing countries. But these will be more difficult to maintain as minerals, construction and government become less prominent.

Manufacturing may provide a replacement, but this needs to develop urgently. Botswana is one of the more favourable locations for manufacturing investment in the region, but this may not last if neighbours' economic reforms begin to work. ■



# Less sparkle in Botswana's budget

FALLING diamond prices pushed Botswana into budget deficit for the first time in nine years.

This follows the 25% cut in Botswana diamond production last year by the Central Selling Organisation, the De Beers-controlled diamond cartel. The cut was imposed to reduce oversupply in the

Times (BUS) 2/12/93  
By CIARAN RYAN

world market. Finance Minister Festus Mogae told parliament last week that, on top of a R148-million deficit this fiscal year, the government expected a R766-million deficit on spending of R6,04-billion in 1993/4. The shortfall

would be covered from reserves of R11,3-billion (compared with SA's gold and foreign exchange reserves of R9,7-billion).

Revenues for the coming fiscal year are projected at R5,3-billion. The budgeted increase in spending was held to just 6,5% compared to inflation of 17,2%.

12 Mineral revenues normally account for 40% of Botswana's total receipts, but expected revenues of R2,1-billion in 1993/4 represent a 17% drop in earnings from this source over two years. The decline is ascribed to lower minerals prices and falling profitability in the mining sector.

The news came as a shock to a country normally awash with surpluses. Economic growth slowed to 5,8% in 1992, from 8,8% the previous year, and would slow even further in 1993, Mogae said. Botswana recorded growth in excess of 8% a year for most of the 80s.

Botswana is the world's third largest producer of diamonds, with 15-million carats a year from the Jwaneng and Orapa diamond mines, jointly owned by De Beers and the Botswana government.

Other factors contributing to the deficit are weak markets for other primary products. The Selebi-Phikwe copper-nickel mine is operating at a loss and the Sua Pan soda ash plant is experiencing technical difficulties.

# Botswana highway *Star 23/3/93* realises a dream 12

GABORONE — Out in the remote Kalahari basin, preparations are afoot to build a 590 km road across the desert — a project which for Botswana will be a political dream come true.

The Trans-Kalahari highway, on which work is scheduled to begin this year, is the country's most ambitious, expensive and controversial road.

"The Trans-Kalahari highway is the largest road project to be undertaken in southern Afri-

ca," said Mike Pinard, deputy director of roads.

For Botswana, the 250-million pula (R358,2 million) road has been a political dream since independence from Britain in 1966, and is seen as the path towards the growth of the remote western regions.

The Trans-Kalahari will also provide a major transit route for goods between South Africa and Namibia, cutting 400 km off the Johannesburg to Windhoek route.

The road will run from Sekoma near the diamond town of Jwaneng

across the Kgalagadi basin sands to Mamuno at the Namibian border.

Even before the first strip of tar has been laid, environmental groups have criticised the impact the road will have on the fragile desert environment and its wildlife.

Botswana will pay about 23 percent of construction costs with the rest made up by concessional loans from a variety of countries and development banks.

The European Community has reportedly decided not to contribute

because of the potential damage to the environment.

Most of the criticism is against the large "borrow pits" which will be dug in the search for suitable soil to build the road, which the Kalahari Conservation Society says will accelerate erosion.

The society is also concerned that the boreholes that will have to be drilled for water will be handed over to cattle farmers, leading to increased grazing pressure on the land and more erosion.

# Bribery trial told of alleged contract deal

By Bronwyn Wilkinson  
Star Africa Service

(12)

GABORONE — Spectators packed into the magistrate's court yesterday at the start of the trial of former Botswana Assistant Minister of Local Government Michael Tshipinare, who is charged with accepting a bribe.

Tshipinare is charged with accepting 500 000 pula (R675 000) to ensure that the building contract for the Botswana Housing Corporation's (BHC) new head office was awarded to Spectra Botswana, a company 40 percent owned by the South African Premier Group.

Tshipinare owned a third of Spectra, which stood to make a P4 million profit from the P53 million (R70 million) contract, the court heard.

Pelonomi Venson, former permanent secretary of the Ministry of Local Lands and Housing, and chairman of BHC, told the court the BHC board had awarded the contract to Spectra on December 5 1991.

She lost her job when President Ketumile Masire dissolved the BHC board after two commissions of inquiry exposed alleged corruption in the local construction industry.

Roy Zacharias, director of Chartacc Business Services, testified he had been given a letter signed by Tshipinare on behalf of Spectra, stating that Spectra had won the BHC contract and was sub-contracting to a company called Graphco.

The letter had been dated December 3 1991, two days before BHC awarded the contract to Spectra. It had been handed to him by South African businessman Alex Goldmann, one of three directors of Graphco.

According to the report of the Botswana government's Christie Commission of Inquiry into BHC, Goldmann was found to have promised Tshipinare the R675 000 on condition that Spectra receive the BHC contract.

The defence will argue that the sum was a loan to Tshipinare, who was in financial difficulty at the time, and not a bribe.

# No bribe for contract, Botswana court told

By Bronwyn Wilkinson  
Star Africa Service

GABORONE — A Botswana Housing Corporation (BHC) manager said yesterday that he had not been offered a bribe when recommending that the contract for his organisation's new headquarters be awarded to Spectra Botswana, a company owned

40 percent by South Africa's Premier Group.

Raymond Sergeant, former BHC group manager for development, was testifying under cross-examination in the Gaborone Magistrate's Court in the trial of former Assistant Minister of Local Government Michael Tshipinare, who is charged with accepting a R675,000 bribe from

Spectra. Sergeant said that among several tenders, Spectra's had been judged the best.

The bids had been considered by Sergeant, four architects: BHC general manager Joe Leisholo, deputy general manager Diteko Rabana and the BHC tender committee, which had described Spectra's tender as "impressive".

Spectra's proposal was recommended to the BHC board, which awarded the company the contract on December 5, 1991, Sergeant said.

Earlier, in his evidence-in-chief, Sergeant told the court that he, Rabana, Leisholo and the corporation's financial manager had travelled to Johannesburg on December 10, 1991 for discussions at the

Premier Group's offices. The trip was financed by Premier.

Under cross-examination, he said he had not regarded anything other than a matter of convenience to Premier that the group privately flew the four to Johannesburg instead of sending their own representatives to Gaborone. The trial continues.

Star 311842

(12)

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# Botswana building deal not approved, court told

Star 11/4/93

By Bronwyn Wilkinson  
Star Africa Service

**GABORONE** — The contract for the building of the new Botswana Housing Corporation (BHC) headquarters was awarded to Spectra Botswana — 40 percent owned by the South African Premier Group — before the BHC board could approve it, the Gaborone Magistrate's Court heard yesterday.

Police Superintendent Ik-

wethaeng Bagopi said he had seized a letter dated November 22 1992, addressed to Spectra and signed by BHC general manager, the late Joe Letsholo. The letter stated that the contract for the BHC headquarters had been granted to Spectra.

Bagopi was testifying in the trial of former assistant minister of local government Michael Tshipinare, who is charged with accepting a 500 000 pula (R675 000) bribe from Spectra director Alex Goldmann to ensure Spectra was awarded the contract.

Tshipinare was also a director of Spectra.

Two other witnesses testified that the letter was drafted early, but only completed, signed and handed to Spectra at Premier's Johannesburg offices on December 10, five days after the BHC board awarded the contract.

Former BHC deputy general manager Diteko Rabana told the court that the letter had been drafted before the December 5 board meeting because the BHC tender committee had unanimously recommended that the contract should go to Spectra, and be-

cause time was of the essence as Letsholo wanted Spectra to start drawings for the project.

The amount for the contract was typed into the letter only after the meeting in Johannesburg, and Letsholo only signed it after that, he said.

Although the BHC board had approved the Spectra proposal at 49 million pula, the price was increased to 53 million after the meeting between representatives of Spectra and BHC in Johannesburg.

Rabana said the price went up because of extra fittings.

The trial continues.

# FW 'snubbed' by Botswana meeting

Weekly Mail Reporters: w/maul 2/4-7/4/93  
FOREIGN parliamentarians involved in a major conference in Botswana dealt a snub to President FW de Klerk this week when they invited him to attend—and then swiftly withdrew the invitation.

The confusion exposed divisions between Europe and Third World countries over the treatment to be accorded to the South African government.

The conference, in Gaborone, brought together politicians from the 12 European Community states, as well as 69 ACP (African, Caribbean and Pacific) countries for several days of talks on economic and political issues affecting the relationship between the two groupings.

Sources indicate that the six-member executive of the EC/ACP Parliamentary Assembly blundered into sensitive territory by inviting De Klerk to attend the meeting. The invitation was reportedly issued at the prompting of the European executive members, after African National Congress president Nelson Mandela had been asked to attend. Future policy towards South Africa was due to feature prominently on the agenda.

The invitation to De Klerk was interpreted by ACP representatives as showing unwarranted support; they lobbied heavily for its withdrawal, the sources say. A South African government spokesman confirmed that De Klerk's office had no sooner received the invitation than it was withdrawn.

Apparently interpreting the move as a snub, the State President's Office decided not to allow the EC/ACP parliamentarians a graceful end to the saga. De Klerk, Foreign Minister Pik Botha, and the government's chief negotiator, Roelf Meyer, were "unavailable" to meet a delegation which toured South Africa on its way to the Botswana conference, it has been learnt.

**Cameroon meetings banned**

**YAOUNDE** — The government of Cameroon accused the opposition on Tuesday of trying to destabilise the central African country and banned all public meetings which could lead to violence. Scores of people have been killed in Cameroon in protests and ethnic clashes over the last three years. In a television interview, Information Minister Augustin Kontchou said the Union for Change opposition group — which is opposed to President Paul Biya's 11-year rule — was plotting "a diabolical scheme for the systematic destabilisation of Cameroon", including bomb attacks, the abduction of foreigners and assassinations. — Sapa-Reuter

*W/maul 2/4-7/4/93*

**Guardsmen overpowered**

**MAPUTO** — Seven mutineers were wounded when commandos stormed the barracks of the Mozambican presidential guard in an outer Maputo suburb on Tuesday, according to a government statement published this week. The commandos overpowered the

*W/maul 2/4-7/4/93*

**AFRICA BRIEFS**

*W/maul 2/4-7/4/93*

guardsmen, who mutinied over pay and demobilisation benefits, and took control of the barracks using light arms in an operation that lasted about half an hour. — Sapa-AFP

**23 militants killed**

**ALGIERS** — Special army troops tracking down Muslim fundamentalists who slaughtered 18 soldiers in the bloodiest attack in over a year of violence in Algeria have killed 23 militants, the government announced. It said the fundamentalists, assisted by four soldiers, had slipped into Bougzoul barracks 100km south of Algiers to try to seize arms. It was the worst single attack on security forces since a state of emergency was decreed in February 1992. APS also quoted the paramilitary gendarmerie as saying that 211 other "terrorists" — the official name for fundamentalists — had been killed since December 4 when a partial amnesty expired. — Sapa-Reuter

*W/maul 2/4-7/4/93*

**'Government controls Cuito'**

**LUANDA** — The Angolan government denied this week a rebel claim to have captured the central city of Cuito after a two-month siege. "Cuito remains under the control of government forces," Defence Ministry spokesman Jose Manuel "Jota" said. But there had been fierce clashes on the outskirts of Cuito, a city of 280 000 people, on Sunday and Monday, he said. The government and Unita radio also reported continued fighting around the besieged city of Menongue, on the southeastern fringes of the central highlands where Unita has established its main power base. — Sapa-Reuter

**Botswana's biggest**

**GABERONE** — Botswana's largest diamond has been found at the Jwaneng diamond mine, owned by a subsidiary of DeBeers. The 446-carat stone will take its place in the record books among the biggest in the world. — Sapa

*W/maul 2/4-7/4/93*

# Bribery accused 'did not influence deal' <sup>Star 2/4/93</sup> ⑫

By Bronwyn Wilkinson  
Star Africa Service

**GABORONE** — Former Assistant Minister of Local Government Michael Tshipinare had nothing to do with the negotiations in the Botswana Housing Corporation (BHC) when the BHC was considering tender proposals for the construction of its new headquarters, the Gaborone Magistrate's Court heard yesterday.

Russian-born and South Africa-based businessman Alex Goldmann said under cross examination at Tshipinare's bribery trial yesterday that neither he nor anyone else in the South African Premier group had instructed Tshipinare to influence or bribe BHC officials who were considering the proposals.

As far as he knew Tshipinare had nothing to do with the BHC decision on awarding the contract, Goldmann said.

Tshipinare is charged with accepting a R675 000 (500 000 pula) bribe from Goldmann to ensure that the contract was awarded to Spectra Botswana,

a company 40 percent owned by Premier.

Tshipinare admitted receiving the money as a loan and has pleaded not guilty to accepting a bribe.

Both Tshipinare and Goldmann are Directors of Spectra.

The BHC Board unanimously rewarded the contract to Spectra on December 5 1991 and Tshipinare's loan was granted on December 12.

## Loan

Premier's Group Commercial executive at the time, Maha Deeb, who drew up the loan agreement between Spectra and Tshipinare, said it had never been understood by Premier that the loan being advanced could be a bribe for Tshipinare to get the contract for Spectra.

Goldmann and Deeb said that Tshipinare was expected to pay back the loan from the P1 million he stood to make in profit from the BHC contract as a director of Spectra.

Deeb said that conditions of

the loan agreement were particularly harsh on Tshipinare and that Spectra had protected itself entirely with those terms.

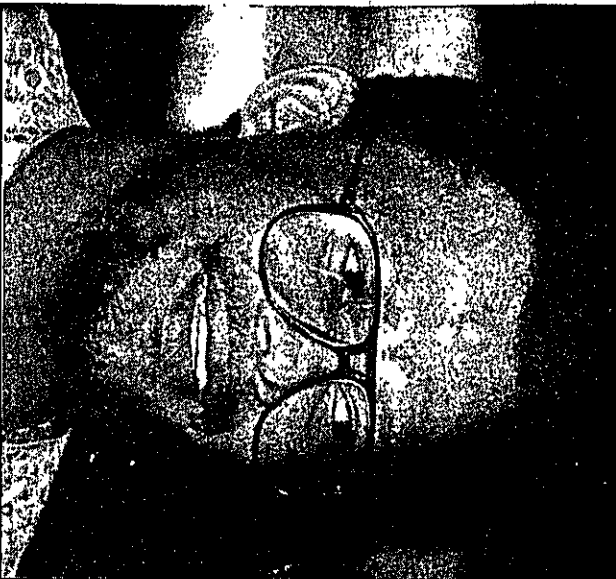
Goldmann testified that a letter signed by Tshipinare on behalf of Spectra stating that the sub-contract for the BHC project had been awarded to a company called Graphco, dated December 3 1991, was only faxed to Botswana and signed by Tshipinare on December 12. It was then sent to Graphco. Goldmann said he had asked Tshipinare to sign the letter as it would have been inappropriate for him to do so himself as he was also managing director of Graphco.

A third South African witness, Louis Wolf, from whose office in Johannesburg the letter was faxed on December 12, was also due to testify for the State yesterday.

The court heard that Wolf had "passport problems" and had been unable to leave Johannesburg.

The trial was postponed to May 6 to allow Wolf to testify.





Professor Fumeleng Mosala ... decision needs the mandate of congress.



Mpotseeng Kgokong ... to head the BCMIA delegation.



Don Nkandimeng ... to head Azapo delegation.

# Azapo agonises over negotiations

Southwester 11/4/93

**T**HE collapse of talks between the Government and the Azanian Peoples Organisation indicates a serious divergence of opinion among members with regard to talks with the Government.

The talks, which were due to take place soon in Botswana, were called off at an Azapo national council in Bloemfontein at the weekend.

The groups due to meet were Azapo and the Black Consciousness Movement of Azania on the one hand and the South African Government on the other. About 400 delegates at Azapo's council resolved to call a special congress within four weeks to revise Azapo's position on talks.

This call for a special congress comes only four months after a biennial congress held in November last year.

Since the 1990 Sharerworld congress, Azapo has declared that it is not opposed to negotiations in principle, a position reiterated by the organisation's president, Professor Fumeleng Mosala, in his State of the Nation address.

But it seems delegates have differing interpretations of this concept, thereby prompting the call for a special congress to look into negotiations politics.

In case the forthcoming congress decides to close the door on negotiations, whether bilateral or multilateral, what

## TALKS OPTION Congress delegates divided over Botswana meeting with the Government

Government

What would be Azapo's option? The answer could be found in Mosala's words at a Press conference at the end of the council when he called on the Azanian National Liberation Army, the military wing of the BCMIA, to intensify the armed struggle until "black people's land and economy are liberated".

And this stirs up the majority feeling among the Azapo delegates who attended.

In their songs and slogans they called on all black youths to swell the ranks of Azania and confront the "enemy". According to Mosala, the multiparty talks represent the reverse order of doing things.

The correct way would have been for participants to have obtained a mandate from black people, through elections, so that those who sit to deliberate on the future of the nation are those who have a mandate to do so.

Asked if Azapo will not be overreaction by events or if the multiparty partici-

pants will have the patience to wait for the organisation's special congress, Mosala said:

"Of concern to us is whether all the Codesa participants will be able to catch up with Azapo.

"We are in the hearts and minds of our people and that's why we are the fastest growing movement in the country."

The next four weeks are bound to be hectic as the differing views jostle for support within the organisation.

The organisation has always described the ongoing multilateral talks as a "hazorewa option", a reference to the Zimbabwean experience when the settler regime co-opted blacks into the government while retaining control.

Delegates say they will go back to their constituencies to instigate what they call the "hazorewa option". They say they are not "interested in becoming the 27th party at the multiparty talks".

They insist that homeland parties at

the talks are FW de Klerk's handmen and there is no purpose in talking to them.

Azapo delegates say they prefer a bipolar arrangement at the negotiations with the liberation movements on one side of the table and the Government on the other.

It is this position that seems to rule out the possibility of Azapo ever joining the multiparty talks as the present participants, especially the ANC and PAC, are unlikely to succumb to such a deal because they are already talking with the banisters.

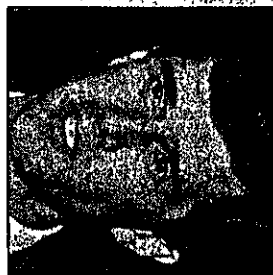
The demand for the removal of banisters from talks led to Azapo being kicked out of the plenary session of the Patriotic United Front in 1991.

Azapo still insists on what it calls a "true patriotic front of patriots" who would gang up against the Government.

The Azapo-BCMIA and South African Government meeting, which is being arranged by facilitator Archbishop Khoso Makhubu of Botswana, is believed to be still on track.

Insiders say the meeting will definitely go ahead.

But sources yesterday said tomorrow's date was premature as arrangements are still being made with "interested parties".



Rooft Meyer ... to meet Azapo and the BCMIA.

● The transfer of power from the minority to the majority.

● The date for Constituent Assembly elections; and

● The quarantining of the security forces.

If the meeting goes ahead Mr Don Nkandimeng and Mr Mpotseeng Kgokong, secretaries-general of Azapo and the BCMIA, will head their respective delegations while it is believed Constitutional Affairs Minister, Mr Rooft Meyer, will head the South African Government mission.

Many believe that meeting may actually see Azapo eventually entering the multiparty talks now underway in Kempton Park.

# Soda Ash seeks further protection

PETER DELMAR

EMBATTLED Soda Ash Botswana executives are talking to the Board on Tariffs and Trade about increasing duties on US soda ash imports to stem the multimillion-rand project's losses.

16/04/93  
Johnny van Leeuwen, executive director of AECI, which holds a quarter of Soda Ash Botswana, confirmed at the weekend there had been talks with the board on Soda Ash's predicament. News of Soda Ash's anti-dumping application emerged in August last year.

(12)  
Soda ash imports are already subject to a 10% ad valorem duty. Despite holding about 50% of the SA soda ash market, Soda Ash Botswana has been affected by depressed international prices, cheap imports, and shrinking local sales volumes which in the past three years have fallen from 330 000 tons to 260 000 tons.

In talking to the board and govern-

ment, Soda Ash was "expressing our belief that additional protection will help us at a time when the project needs it", Van Leeuwen said. He added Soda Ash's production capacity was more than current sales. A Board on Tariffs and Trade spokesman described the talks as informal.

Van Leeuwen said one of the problems Soda Ash faced was the difficulty of proving it was being affected by dumping. He said the talks with government were part of a multipronged effort to make the R1bn project profitable. This included increasing market share and tackling transport and production costs.

Centred on the Sua Pan outside Francistown, Soda Ash started its first deliveries in late 1991. By the time it comes fully on stream, its soda ash output is projected to rise to about 300 000 tons a year.

Sar 5/5/93

# Botswana is losing its sparkle

By Derek James  
Africa News Service

(12) need for macro-economic adjustment was becoming more and more compelling.

GABORONE — The outlook for the diamond industry was gloomy, and as a result, Botswana is entering a "critical phase", says the 1992 Bank of Botswana annual report.

It says: "Even prior to the imposition of the quota on diamond exports, the

"The current macroeconomic imbalances are expected to intensify while the full impact of the quota on diamond exports is felt in 1993, and beyond."

The report criticises the government for not being

prudent enough and says: "The thrust of adjustment would have to fall on ways and means of curtailing expenditure, recognising that the scope for raising additional revenue is very limited."

The increase in private consumption and household sector credit is also a cause for concern, the report says.

# World recession, drought slows Botswana's growth

By Derek James  
Star Africa Service

12

GABORONE — The government and the public have been warned to tighten their belts as Botswana's growth rate declined further to 6,5 percent in 1992-93 from 1990-91's 7,3 percent.

The Bank of Botswana's annual report says the main cause of the decline has been the worldwide recession and the country's dependence on diamonds.

Botswana's diamond exports fell significantly as a result of the quota which limited sales by Botswana to 75 percent of its rated production capacity.

Copper prices stagnated and nickel prices fell by 30 percent. However, the drought forced cattle farmers to destock, thus increasing beef exports by more than 30 percent, which helped the overall position.

The report warns that the next few years will be characterised by slower economic growth, rising inflation and declining government revenues, leading to rising unemployment.

It says that in the light of Botswana's total dependence on diamonds, the situation in the international diamond market highlights the need to focus on the more fundamental structural aspects of the economy.

# Lightning hits Botswana hotel

## Sowetan Africa News Service

GABORONE — Disaster loomed for a R40 million hotel project at Kasane in northern Botswana when, a month before its opening, lightning struck, killing the huge baobab tree around which the hotel was built.

But ingenuity and a lot of sweat and money saved the situation. Rather than close down or redesign the hotel, the developers took out the old tree and replaced it with a new one — a 32-ton giant transported from elsewhere in Botswana.

Last week the Mowana Lodge Hotel on the banks of the Zambezi River was officially opened by President Ketumile Masire, with the new baobab happily growing through the dining room roof.

### Cost

The cost of transplanting the tree is not known but it included the cost of bringing a giant crane from South Africa for the job, since no crane big enough was available in Botswana. The operation was supervised by the firm that transplanted baobab trees at Lost City in Bophuthatswana.

The luxurious Mowana Lodge is the ninth hotel to be built in Botswana by the Zimbabwe-based Cresta chain.

## ■ Tragedy strikes major tourist area a month before its official opening

Intended to attract mainly foreign tourists, it is situated at the point where Botswana, Zimbabwe, Zambia and Namibia meet and is therefore within reach of the major tourist attractions of all four countries.

# Botswana opens doors to Volvo

A MULTI-MILLION rand Volvo truck plant, the Swedish Motor Corporation, was officially opened in Gaborone, Botswana this week. The plant is the first of its kind for Volvo in Africa. Its market area

(12) includes South Africa and neighbouring countries. Volvo is the second largest manufacturer of heavy-duty trucks in the world, with 50 000 sold annually in 70 countries. A spokesman for the corporation says that

initially products will be targeted at capturing about 3 percent of the lucrative over-20 ton market in South Africa. The plant is capable of producing a truck each working day. — Staff Reporter.

**SOWETO, the sprawling complex of townships south-west of Johannesburg, is once again on the brink of ruin.**

Just when it seemed as if the crippling rent boycott was about to be resolved, payments have dropped to a record low.

Residents are estimated to owe a total of R800 million in rates and service charges.

And there is a real possibility of the R32 million special Government package, designed to give Johannesburg a kick-start in Soweto, being withdrawn, according to Central Witwatersrand Metropolitan Chamber chief executive Vic Milne.

**Negotiations in jeopardy**

Two years of negotiations to end Soweto's rent boycott and put it on a sound financial footing are in jeopardy, and the supply of services to the township is once again near collapse. Payments are now running at only 5 percent after reasonable levels of up to 30 percent were reached earlier last year.

Next week an attempt will be made to get major political parties on board in agreements to end the seven-year rent boycott, resuscitate services and restructure local government.

Members of the local structures of the National Party, Democratic Party, Conservative Party, African National Congress, Inkatha Freedom Party, South African Communist Party, Pan Africanist Congress, Azanian People's Organisation and the Sisonke Party were to be invited to become full members of the chamber after a meeting between some of the parties and chamber representatives last night.

The political parties will be entitled to representation on, and participation in, all of the sub-structures of the chamber, and will be kept fully informed. They will be invited to vote at plenary meetings of the chamber on recommendations from working groups in which they participate. Participation in the deliberations will, however, not detract from the right of political parties to adopt an independent position after consultation with their principals.

The Metropolitan Chamber has its back to the wall. Its reputation as the most successful local negotiating forum in the country could be in shreds by the end of next week if Wednesday's crucial chamber subcommittee meeting does not yield significant progress.

It is the involvement of the political parties which has put the brakes on the implementation of an agency agreement which would see Johannesburg providing ser-

● TO PAGE 2.

# Boycott-hit Soweto On edge of collapse

Make-or-break bid to draw in ANC, IFP

Star 15/6/93

127

# Botswana's quest 'Africa's Singapore'

GABORONE. — Botswana is considering deep tax cuts and deregulation in a bid to stage a Pacific rim-style economic boom while cutting dependence on diamonds.

"Botswana could become the Singapore of Southern Africa — a regional service centre," Bank of Botswana governor Quill Hermans said in a recent interview.

He said Botswana, with its large foreign exchange reserves and stable political climate, was uniquely placed to become a major regional financial services centre.

Botswana, which has forecast a \$250m budget deficit for fiscal 1993/94, was not dependent on non-mining taxes and the gains from investment from overseas would far outweigh the relatively small amount of money lost through deregulation.

"Non-mining tax is not a major source of income," said Hermans, adding that Botswana had built up \$4bn in foreign exchange reserves in the "bonanza years" of the international diamond market during the '70s and '80s.

"We could abolish personal income tax, and scrap corporate taxation with

very little adverse effect on the economy and are studying aspects of this at the moment," he said.

Diamonds are the country's major export earner and mainstay of the economy, bringing in \$1.3bn in fiscal 1992/93.

But the worldwide recession and resulting fall in diamond sales have forced a major re-think in a government which has spent heavily on social welfare programmes recently.

Hermans said the decision by De Beers Centenary AG to cut diamond purchases from associate companies by 25% had cut Botswana's export income by \$150m a year and was a bitter blow.

"Our total diamond production is around 16 million carats a year, of which we are now stockpiling about 25% in the hope that the market will improve," he said.

"Our economy is at the moment totally bound up with what happens to the diamond markets and what happens politically in our Southern African neighbours, particularly South Africa."



Star 24/5/93  
**Nurses to  
sue hospital**

**GABORONE** — Four nurses, fired by a private hospital because they were HIV positive, have begun proceedings to sue the hospital.

The four, all expatriates, were asked to undergo a medical checkup unaware that the check included an HIV test, they claim. When found positive, they were fired.  
— Star Africa Service.

## Botswana 'hit hard by Aids'

GABORONE. — Botswana is one of the worst-hit countries in Africa affected by the Acquired Immune Deficiency Syndrome (Aids) pandemic, a local expert said.

CT 31/5/92  
The country had 60 000 Aids sufferers by 1992, with the rate of infection being "among the swiftest in the world", Dr Matshediso Moeti of Botswana's national Aids control programme said yesterday. (12)

She said this was because Botswana was a thoroughfare between Southern African countries and many Botswana travelled a lot.

Truck drivers were particularly seriously affected, she said. — Sapa

# Aids rife in Botswana

**GABORONE** — The spread of Aids in Botswana was among the swiftest in the world, making the country one of the four worst-affected countries in Africa, the Botswana Christian Council Executive Committee has been told.

Dr Matshediso Moeti, co-ordinator of the National Aids Control Programme, said that by last year more than 60 000 people had been infected.

She said the main causative factors were the high mobility rate of Botswana because of the three-site system which

## ■ Churches told 'all not well with attitudes to promiscuity'

requires people to have an urban house, a rural-agricultural lands house and a camp at the cattle post.

This, and the transfer of government officials and teachers to distant parts of the country, led to instability and the habit of people having multiple sex partners. She said another reason was the fact that Botswana lies on the main transport network between South Af-

rica and countries of Central and East Africa, and truck drivers are a high-risk group.

Poverty among many Botswana women and the disparities in wealth led to many women using their bodies to get income. She urged churches to "recognise that all is not well with our attitude to and acceptance of promiscuous behaviour."

Sowetan Africa News Service

Star 21693

# Aids spreads fast in Botswana

By Derek James  
Star Africa Service

12  
GABORONE — The spread of Aids in Botswana was among the swiftest in the world, making the country one of the four worst affected in Africa, Botswana Christian Council Executive Committee has been told.

Dr Matshediso Moeti, co-ordinator of the National Aids Control Programme, said that, by last year, more than 60 000

people had been infected.

A main cause was a high mobility rate in Botswana society.

The three-site system in the country requires people to have an urban house, a rural/agricultural lands house and a camp at the cattle post.

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And there was the habit

among the Batswana of having multiple sex partners.

Another reason, she said, was that Botswana lay on the main transport network between South Africa and countries of central and east Africa, and truck drivers were a high risk group.

Poverty among many Batswana women and the disparities in wealth led to many women using their bodies to earn money.

5 Times (Buss)  
13/6/93 (12)

# Soda ash plant behind target

By CIARAN RYAN

**PARTNERS** in Soda Ash Botswana will not receive a dividend for several years because the profitability target will not be met as planned.

This has led to speculation, denied by AECl and Anglo American, that some shareholders would like to sell.

Soda Ash chairman Johnny van Leeuwen says: "The partners are obviously dissatisfied with the performance of the company since the plant's commissioning in 1991.

"Sales have not been as high as forecast, but I believe the shareholders will stay the course."

Anglo spokesman Michael Spicer says: "We are staying in. Sales are improving and most of the technical problems have been sorted out."

Major shareholder in the R920-million project is the Botswana Government. The balance is split among AECl, De Beers and Anglo American.

Feasibility studies appear to have overstated sales by 40%. Mr van Leeuwen says the time frame for achieving

profits has been delayed by several years.

"Nobody could have predicted the depth of the recession."

High borrowings are largely responsible for the negative cash flow.

Soda Ash Botswana projected the SA market size at more than 300 000 tons a year, growing by one or two percentage points a year and prices falling slightly. In fact, volume sales fell 25% and prices 40% after 1991. The SA market is down from 340 000 tons a year to 240 000. World prices fell from R740 a ton in 1991 to R640.

Managing director Len Larson says: "Because of the recession there is world oversupply and several plants are being closed. We are operating at 53% capacity. Because this is a volume-driven business, we need to increase this capacity and are looking at various ways of doing so."

Salt accounts for 30% of sales. Turnover is thought to exceed R120-million a year.

The company is still awaiting a decision by the Board on Tariffs & Trade on its application in August for increased protection against soda ash imports into the SA market (the tariffs it sets cover the entire Southern African Customs Union, which includes SA and Botswana). European and US producers are desperately seeking additional markets for their own surplus production. Global demand of about 30m t a year is met by an output of about 36m t a year. No wonder there's a price war.

Van Leeuwen says the existing 10% tariff is insufficient. Supplies from eastern Europe and the US have forced down delivery prices to about R640/t, compared with R740/t in 1990.

Meanwhile, teething problems at the plant have been largely straightened out, with production, constrained by market demand, now running at about 60% of capacity. The managers of the landlocked plant — a new, 173 km railway line links Sua Pan to Francistown — are now looking into exports, despite the logistical problems of transporting the soda ash to coastal harbours.

In spite of the bleak state of affairs now, Van Leeuwen is optimistic for the long term. "Production costs of about US\$80-\$120/t are well below the \$140-\$200/t of about two-thirds of the world's production, which is based on synthetic processes. So, in the long run, we are bound to win as our competitive advantages come into play."

But, Van Leeuwen admits, the company's shareholders — the Botswana government has 48%, with the balance shared by AECl, De Beers and Anglo American — "took quite a chance" in making a technologically advanced investment "in the middle of nowhere."

Blackie Marole, of Botswana's Ministry of Mining, Mineral Resources & Water Affairs, says his government is concerned over the plant's losses. But it leaves the running of the plant to AECl, which is in charge of production and marketing.

Asked if his government would encourage downstream beneficiation in Botswana, Marole says its role is that of a sleeping partner and that the private sector would have to come forward with its own investment proposals.

Van Leeuwen says there is no chance of mothballing the expensive plant because this would just add to costs. "Our best hope is to aim for full production by expanding market

share. We need 100% output to recover our capital."

Meanwhile, Soda Ash Botswana is doing its best to cut costs on site, while attempting to develop new markets such as mineral processing, which could take up about 40 000 t/year. African markets such as Zambia, Zimbabwe, Zaire and Malawi hold some potential, while overseas exports would be the last alternative to build volume. ■

## BOTSWANA SODA ASH (12)

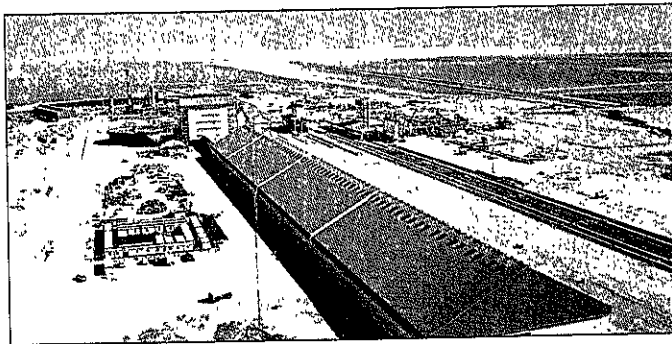
### Evaporating demand

*fm 217193*  
Like a mirage on a shimmering desert floor, prospects that the R1bn Soda Ash Botswana plant can recover quick profits from its 1991 investment on Botswana's Makgadikgadi depression are receding. The villain is the dramatic slump in demand for soda ash in the local market. The company is budgeting for a "substantial loss" after financing costs for the 1993 financial year.

The plant at Sua Pan was originally aimed at meeting southern Africa's demand for soda ash. But nearly four years of recession, coupled with a global oversupply and aggressive competition from importers, has ended plans to make money on the local market.

"During 1989-1990, demand stood at about 340 000 t a year and we planned for production of about 300 000 t a year," says company chairman Johnny van Leeuwen.

"But the local market is expected to slump to a mere 230 000 t in 1993." About a third of local sales is used by the glass industry, 20% by the metallurgy sector, and about 10% by detergent manufacturers, while the balance goes towards the production of paper and pulp and various chemicals.



Sua Pan ... running at 60% capacity

St. Times [Russ] 18/7/93  
**Indresco takes Tswana stake**

US-BASED earth moving giant Indresco has bought a 50% stake in Tswana Equipment, distributors in Botswana of Komatsu, Haulpak and Gallon equipment.

Indresco, formerly part of the multinational Dresser Group, manufactures this equipment at its Dallas plant in Texas and the closer links will improve supply and back up, especially for the diamond industry in Botswana.

The interest was bought from Amquip, the construction and tyre subsidiary of Amic.

(12)

**Minister corrupt** (12) CT 29/7/93

GABORONE. — Botswana's former minister of local government and lands, Michael Tshipinare, was convicted of corruption by the Broadhurst Magistrate's Court yesterday.

Escaped prisoner shot



Star 29/11/93

# Botswana ex-Minister convicted of taking bribe

Star Africa Service

GABORONE — A former Assistant Minister of Local Government and Lands in the Botswana government was yesterday convicted of corrupt practice after he had received a bribe of about

R600 000 (about R440 000) from Spectra Botswana, a subsidiary of Spectra South Africa.

Michael Tshipinare admitted receiving 500 000 pula (R365 000) from Spectra but said the money was a loan.

However, Chief Magistrate Gabriel Rwelengera found that it was a bribe aimed at securing a 52 million pula contract for Spectra for the construction of new Botswana Housing Corporation (BHC) headquarters.

His trial was one of sever-

al sequels to the death in a car crash of BHC general manager Joe Letsholo. A large sum of money was found in his car and later in his office safe, and investigations resulted in a commission of inquiry being appointed.

# news in

Sowetan 30/1/93

## Tshipinare sentenced

BOTSWANA's former minister of local government and lands, Michael Tshipinare, was yesterday sentenced to four years jail, three of which were suspended for five years, after being found guilty of corruption.

Gaborone Chief Magistrate Mr Gabriel Rwelengera handed down sentence yesterday against Tshipinare, who was found guilty on Wednesday of accepting a 500 000 pula bribe from Spectra (Botswana) to ensure they were awarded a government building contract. Rwelengera told a packed Broadhurst Magistrate's Court that Tshipinare had suffered the loss of his career and reputation. See Page 12

invitation to Pres de Klerk

Sowetan 30/7/93

## Ex-minister convicted

**Sowetan Africa News  
Service**

**GABORONE** — Michael Tshipinare, former Assistant Minister of Local Government and Lands, was this week convicted of corruption for receiving a bribe of about R600 000 from Spectra Botswana, a subsidiary of Spectra South Africa, which is partly owned by Premier Milling.

Tshipinare admitted receiving 500 000 pula from Spectra but said the money was a loan.

(12)

However, Chief Magistrate Gabriel Rwelengera found that it was a bribe aimed at securing for Spectra a 52 million pula contract for the construction of a new headquarters for the Botswana Housing Corporation. His trial was one of several sequels to the death in a car crash of BHC general manager Mr Joe Letsholo.

The discovery of a large sum of money in his car and more later in his office safe led to investigations that resulted in the appointment of a commission of inquiry into alleged BHC scandals.

## World in brief

Sawetun  
218193

### Botswana asks for aid

**GABORONE** — Botswana President Sir Quett Masire has declared the country drought-stricken and has called for international aid. (12)

Speaking on Radio Botswana on Saturday, Masire said the drought was the worst in living memory and thousands of children were malnourished. He said it was unlikely that rain would fall before October and supplementary feeding of rural people and of cattle would be needed.

# Minister told to leave Botswana

Star 26/8/93

■ BY DEREK JAMES  
STAR AFRICA SERVICE

Gaborone — Dutch Reformed minister Braam le Roux, who has worked in the small settlement of D'Kar in the Kgalagadi Desert for the past 10 years to co-ordinate the Kuru Development Trust programme among the San (Bushmen) people, has been ordered to leave Botswana by Tuesday (12.)

Le Roux's mission has provided income-generating activities for the 500 San residents, including two tanneries and a leatherworks.

He organised literacy, pre-school, crafts and cultural projects as well as a sewing group for the Bushmen.

The embassies of the US, Holland, Norway and Sweden, as well as the Botswana Christian Council, launched an appeal against the Botswana government's deportation order on Le Roux.

But a letter from the secretary of the Ministry of Labour and Home Affairs said the appeals had been rejected.

Le Roux and his Botswana-born wife have been ordered to leave Botswana by August 31.

No reason has been given except that the action was "in the best interests of Botswana".

## NEWS FEATURE Opposition claims electoral system is fundamentally flawed



Quett Masire ...  
President of Botswana.

**They are aware that they cannot realise their aspirations within the framework of the present structures**

Dr Kenneth Koma

# Botswana plans for polls

Sowetan 27/8/93

12

By Joe Latakomo

## RIVALRY RE-EMERGES: Traditional parties at war again over loyalties and parliamentary seats:

**G**ABORONE — Botswana is gearing up for another parliamentary election, due next year. But this time it not going as smoothly as in previous polls, which won the country international respect as one of Africa's few genuine democracies.

The opposition now claims that the electoral system is so fundamentally flawed that it is impossible to unseat the ruling party through the ballot box.

The main opposition party, the Botswana National Front, has called for electoral reform and particularly a reduction of the voting age from 21 to 18. It also demands special arrangements enabling Batswana who will not be in the country on polling day to vote.

The government has refused to comply.

At least seven parties have so far registered to contest the election and more than 600 000 people have enrolled to vote. But the BNF has threatened to boycott the election unless the government accedes to its demands. BNF leader Dr Kenneth Koma has suggested it may in addition encourage mass action.

"We can influence people not to co-operate with the

government," Koma says. "We can influence workers, we can influence teachers."

The opposition says the existing system almost guarantees that the ruling Botswana Democratic Party will win at least two thirds of the vote.

That is only partly true, however. The vote in Botswana has historically been ethnic. The Bamangwato, who make up 35 percent of the population, have traditionally voted for the BDP — initially in protest against the British for preventing Seretse Khama from taking up the paramount chieftaincy of the tribe in 1948 because he had married a white woman. The region has been a BDP stronghold and it is not unusual for the party to get more than 75 percent of the vote.

Another ethnic-based support bloc for the BDP is the Bakwena, who make up 12 percent of population. Here, the ruling party gets up to 79 percent of the vote.

Wiping out the opposition in just these two areas gives the BDP half of all the parliamentary seats. Even though

competition in the rest of the country is close, with the BDP able to secure only 54 percent of the vote elsewhere, the strong support of the Bamangwato and Bakwena was enough to secure the party 31 of the 34 seats at stake in the last election.

Koma suggests that "workers and peasants" will play a more important role in the political affairs of the country than they have done before.

"They are aware that they cannot realise their aspirations within the framework of present structures," he said. "For democracy to be possible depends on whether the electoral system is fair and just. We are convinced that it is not possible to change the government in the way in which it is possible in liberal democracies, where you go to the polls, where your supporters vote for you in large numbers, and therefore you win and gain power."

Gaborone Mayor Paul Rantao, a leading BNF member who has his eyes set on a parliamentary seat, supports Koma.

"However, we wish to stick to democratic values," he says. "We have dismissed armed struggle as an option to unseat the government as the material and objective conditions in Botswana do not favour it."

The struggle, therefore, had to be a parliamentary one backed by mass protest, he said. For that reason, his party was appealing to voters to register anyway.

Observers believe that the BDP has been sustained by the steady economic growth that has accompanied BDP rule, making Botswana one of the wealthiest countries in Africa.

### Not hopeless

But the opposition's chances are not hopeless, for Botswana is now experiencing economic difficulties that must count against the government in the election. The drought that has prevailed since 1981 has resulted in a water shortage that has forced the suspension of housing schemes, creating a housing shortage which has forced up rents.

In addition, unemployment has risen steeply, accelerated by a sharp increase in the number of school graduates seeking jobs that do not exist. South Africa has reduced its mine labour recruiting, the price of diamonds (Botswana's major source of income) is down, wages and salaries have been frozen, and a sales tax has been imposed on beer and petrol.

The rapid urbanisation, partly due to rural people being forced off the land by the drought, and the government's inability to deal with the resultant problems, also seems to favour the opposition.

But the greatest challenge for the opposition remains the question of how to make inroads into the Bamangwato stronghold. The BDP is aware of this and to whip up traditional sentimental support is accentuating its identity as "Seretse Khama's party" — still an effective ploy 13 years after the death of the former Bamangwato paramount chief.

While it is clear that nothing short of a massive anti-government rebellion by the Bamangwato can change the opposition's fortunes in the area, significant gains will at least shake up the government.

The polling percentages in Botswana's previous elections have not been high: 56 percent in 1965, 30 in 1969, 21 in 1974, 37 in 1979, 56 in 1984. Political analysts believe the reason may be that traditional chiefs are not allowed to run for public office.

There is little doubt that the BDP, with its vast organisational resources, and its ability to use patronage, seems well enough established to weather this storm. But the demands for electoral reform will undoubtedly continue.



# Is Botswana <sup>Star</sup> <sup>6/19/93</sup> jumping point to SA?

Behind a tight security screen, work on Botswana's R2 billion airbase goes on apace in the bush.

As the structures rise so, too, do estimates of the cost increase and speculation over whether the country really needs the base.

The first phase of the base, 105 km north of Gaborone near Molepolole, is due for completion at the end of this year.

During Botswana's economic boom, questions over the base were simply shrugged off. But now, with unemployment increasing sharply, with housing scarce, with increases in the cost of electricity and water and in house rents, many Batswana are beginning to feel the pinch in their pockets.

## Speculation

They are questioning whether Botswana actually needs such a massive base at all, and whether the money could not have been used on more urgent and productive projects.

Speculation in the capital is rife that the base has been built mainly because of United States requirements for a regional air base. The newsletter *Africa Confidential* suggested that it was meant to be used to monitor and react to events in South Africa.

While the government of President Masire has denied this, it has admitted that it ex-

**As recession bites, Batswana, their pockets beginning to feel the pinch, are beginning to ask whether their country really needs its expensive new airbase. Joe Latakomo of the Star Africa Service reports from Gaborone**

pects to lease at least some facilities to the US.

Completion of the base will mark the development of the Botswana Defence Force air wing into a fully-fledged air force. But for what purpose? To defend the country against which enemy or perceived enemy?

There are suggestions that the technical specifications for the runways, for example, are higher than would be required by Botswana's British-made Strikemaster ground attack jet fighters. And it is unlikely the BDF will be on the market for new fighters in the foreseeable future.

Official responses to queries about the project only produce a document prepared by the Ministry of Finance and Development Planning "to set the record straight" when concern mounted over the project, and the fact that relatively large amounts of national resources were allocated to the BDF.

The document was issued "to allay the fears of the public that we may be spending an

excessively high percentage of our national budget on defence and so that our development partners can make informed judgments on our performance".

The document argues that the BDF is productively engaged in other areas, among them the protection of Botswana's wildlife resources — "among the best on the continent" — which, the document says, contribute in value-added terms millions to the economy.

The most important consideration, the document says, is moving the airbase away from the city centre where it is presently located on the site of the old Gaborone airport.

This would also free prime land required for the expansion of the University of Botswana, the Botswana Institute of Accounting and Commerce, the police college and the Central Transport Organisation.

"Most of the facilities that are now incorporated into the airbase project were going to be required irrespective of where it was located. The fac-



President Masire ... leasing facilities.

ilities that have been included in the project are the bare minimum required for the airbase to operate effectively over the longer term."

In response to calls for the government to review its national security requirements, the document states that the bulk of the expenditure on the base went into providing social and civil infrastructure, and because of the shortage of housing, 480 houses and flats had to be built at the base.

For 11 years after independence, Botswana did not have an army. The BDF was formed in 1977 to deal with the threat posed by the Rhodesian war and South African cross-border raids.

The cost of the base equals more than 20 percent of 1991 GDP, but the government argues that the BDF could recoup most of this cost by leasing base facilities to the US Air Force and other agencies.

The US has used Botswana for "joint exercises", and it is believed that desert conditions training for US troops took place in Botswana to prepare them for Iraq. Many believe also that the loss of the airfield at Kamina in Zaire because of the political deterioration in that country, and instability in Kenya and Somalia, necessitated the US looking for a more stable partner.

## Strengthen

The US has denied that it is involved in the building of the base. But a spokesman is on record as saying that American involvement in Botswana was to "strengthen democratic elements" within the military in African nations and to encourage the downsizing of armies.

None of the official explanations, however, have stopped speculation that the US and other western forces, particularly France, which provided the loan funding, see the base as a "jumping off point" in the event things get so bad in South Africa that some intervention is necessary.



company to take advantage of local content regulations. Established companies are appealing to government to rewrite legislation that allows the newcomers to use Botswana as a base to sharply undercut local vehicle prices. **Fm 24/9/93**

The Board on Tariffs & Trade is also unhappy with the moves by Volvo of Sweden and Hyundai of South Korea. The two companies have set up assembly operations in Botswana to challenge for a share of the SA market. To do so, claim competitors, the two companies are taking advantage of loopholes in local content rules. They deny this and point out that they are playing strictly by the rules. As a result, Hyundai in particular is able to offer vehicles at prices considerably below those of rivals.

Because Botswana is a member of the regional Customs Union, its companies are allowed to sell their products in SA as long as they conform to SA regulations. In the case of motor vehicles, that means they must contain a minimum 55% local content. If not, they are subject to import duties and levies totalling 115%. **(12) (1992)**

It is the definition of local content that causes the problem. Simplified, it is the difference between the foreign exchange bill for a vehicle and the eventual wholesale price. The intention is to encourage manufacturers to add local value. This, in turn, leads to the development of local components and vehicle assembly industries and, therefore, job creation.

However, that same degree of local content can be achieved another way — by importing the vehicle at low cost and building in a big wholesale margin. That, essentially, is what is happening in the case of the Botswana operations. Overheads are low because the vehicles are imported almost fully made up and need only minor assembly — and no local materials.

SA companies argue this is unfair. They say they have invested billions of rands to meet government-imposed local content rules, creating tens of thousands of jobs in the process, and that new market entrants should have to do the same.

Volvo operates locally under the name of Swedish Motor Corp. CE Billy Rautenbach concedes that SA industry has invested heavily but asks: "Why should consumers pay for that?" He adds that the company has invested Pula 7m in Botswana and Hyundai another P8m. In addition, he points out that a local company, Mercedes-Benz of SA, has taken advantage of local content rules in exactly the same way by importing cars requiring only minimal assembly before being marketed in SA.

A motor industry task group has recom-

## BUSINESS

**Fm 24/9/93**  
mended to government that local content definitions should be amended to require a certain amount of local materials. A decision is expected soon, but the board's view is already clear: "It was always intended that each manufacturer should have a high local material content." It adds that Swedish Motor Corp's actions "meet the letter (but) not the spirit" of local content rules.

SA motor companies complain that if government doesn't shut the door, other companies may follow suit. If that happens, says one industry executive, "we may as well all save money by importing almost complete cars and doing away with local assembly and component operations. But that's not the purpose of industry policies." By one estimate, such a move would cost more than 80 000 jobs in the vehicle assembly and components industries. **(12) (1992)**

Rautenbach says such sentiments are to be expected from "such a heavily protected market." Still, he admits he's surprised at the vehemence of some of the opposition. He denies, for instance, that buyers of Hyundais and Volvos won't enjoy the distribution and service support of other vehicles. He says Volvo already has facilities available and that Hyundais won't be sold until an SA-wide network is available. That will be in mid-1994, he reckons.

Observers believe that because a Swedish company is involved and that Sweden, a staunch ANC ally and a leader in the sanctions fight, is resuming trade with this country, could also influence a decision. ■

**Fm 24/9/93**  
**MOTOR INDUSTRY**

### **Detour to Botswana** **(12)**

**Government** officials favour amending motor industry legislation that has allowed a Swedish truck manufacturer and a Korean car

# Botswana collars R36m investment

3 Times 14/11/93

By DON ROBERTSON

GABORONE has been chosen ahead of South African competitors as the site for a R36-million glass-reinforced plastic pipe factory. It was preferred because of Botswana's rapid growth, political stability and favourable geographic position.

Owens-Corning Pipe Botswana occupies a 40 000m<sup>2</sup> site, of which 2 000m<sup>2</sup> is under cover.

Partners in the venture are the Botswana Development Corporation with 35%, investors trading under the name Motswedi with 16% and Owens-Corning with 49%. Owens-Corning has management control.

Owens-Corning, a \$3-billion-a-year multinational, is the world's leading supplier of fibreglass products and is highly regarded for its pink ceiling insulation. It supplies products for the construction, textile, automotive and aerospace industries.

In terms of its agreement with Botswana, the company may either opt for a tax-free holiday in the first three years of its operations or qualify for cost rebates when tendering for business. It will also receive training and sales allowances.

In the first phase of the operation, the plant will produce about 130km of pipe a year. Pipe diameters will be between 300mm and 2 400mm.

If demand warrants, a second manufacturing unit could be installed by the middle of next year at a cost of about R6,5-million.



PIPE DREAMS . . . Charles Dana of investors Owens-Corning Fibreglass

The pipes, used mainly to carry water or sewage, are made on a continuously advancing winding machine. A continuous steel band forms a metal cylinder that provides the pipe shape. As the cylinder rotates, fine-graded filler, fibreglass, resin and surface materials are added by a programmable logic controller in precise amounts.

The pipes are corrosion-free and lightweight, reducing transport costs. They are made in 18m lengths and maintenance costs are low. Low friction reduces

pumping power. The pipes cost about a third of steel or concrete equivalents.

Although the company has not secured orders, it has had a positive response from city engineers and water boards in SA.

SA will not be its main area of business. It will tender for the 50km Lobatse-Gaborone project, the 350km North-South Carrier from Selibi-Pikwe to Gaborone, which could be doubled in the next few years, and the 40km Odzi-Mutare undertaking in Zimbabwe.

# Botswana turns to UK detectives to help establish corruption squad

(12)  
AR 25/11/93

Argus Africa News Service

GABORONE. — The Botswana government has appointed four detectives from Britain to help to contain increasing levels of reported corruption.

According to the Director of Public Service Management, Mogolori Modisi, the four, who would help to set up an anti-corruption squad, had done similar work in Hong Kong.

"We had not anticipated corruption to grow at the rate it is growing here, and now we are looking for structures to combat it," he said.

Botswana was rocked by corruption scandals involving the Botswana Housing Corporation which led to the court appearance of a government minister, Michael Tshipinare, for allegedly accepting a bribe from a company Spectra Trading, in which the South African company Premier Group had a majority shareholding.

Mr Tshipinare was recently released from jail after a high court judge found on appeal that the R660 000 he received from the company could have been a loan.

The Kgabo Commission of Inquiry also found that there was "lawlessness" in respect of dealings in, and building on, land in Mogoditshane and other peri-urban villages.

Companies cited included Prack Consult and Wade Adams, and included bribes of senior Housing Corporation officials.

# FNB set to double its asset base in Botswana

Biday 8/12/93

KELVIN BROWN

FIRST National Bank (FNB) of Botswana and the Financial Services Company of Botswana (FSC) are to merge in a deal that will more than double the size of FNB SA's asset base in that country.

In terms of the agreement, FNB Holdings will inject R13,25m into FNB Botswana, increasing the company's capital base by 50%.

FSC will then issue 13,4-million new ordinary shares to FNB Holdings, giving it a 53% stake in the company. In return FSC will receive the entire shareholding of FNB Botswana.

FNB senior GM Viv Bartlett said the deal would increase FNB Holdings of Botswana's asset base to R650m from a previous R250m, making it the third largest financial services group in Botswana after Barclays and Standard Chartered.

FSC MD Alan Pawson said his company was keen to merge with FNB as its future growth was limited by its lack of access to the funding resources of a commercial bank with a retail network.

FNB had been drawn by FSC's considerable book of established lending business.

The operation will trade as First National Bank of Botswana after approval has been given by the regulatory authorities in SA and Botswana and the share swap has been completed. (12)

Bartlett was confident that the deal would be formalised in the new year.

Following the change in control, FSC shareholders would be offered R3,42 a share by FNB Holdings.

Major FSC shareholders have already agreed to sell enough shares at this price to give FNB Holdings 70% ownership of the new group.

FSC is a listed company on the Botswana share market. All of the new operation's business will be done through the listed company, which will be capitalised at about R86m after the merger and subsequent restructuring.